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# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### SPECIAL MEETING

*January 7, 1997*

**1:00 P.M.**

Room 402  
1155 Market Street, Fourth Floor

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### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

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### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

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All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## **ORDER OF BUSINESS**

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

3. To receive the Preliminary Feasibility Study of Electric System Municipalization in San Francisco. (Klein)

**ADJOURNMENT**



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Special

**MINUTES**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

**Willie L. Brown, Jr.**  
**MAYOR**

**SPECIAL MEETING**

**January 7, 1997**

**1:00 P.M.**

**Room 402**  
**1155 Market Street, Fourth Floor**

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**COMMISSIONERS**

**E. Dennis Normandy, President**  
**Victor G. Makras, Vice President**  
**Marion E. Otsea**  
**Robert K. Werbe**  
**Frank L. Cook**

**DEPARTMENTS**

**Water Department**  
**Hetch Hetchy**  
**Clean Water Program**

**BUREAUS**

**Commercial Land Management**  
**Customer Service**  
**Engineering and Construction Management**  
**Environmental Regulation and Management**  
**Finance**  
**Information Systems**  
**Personnel and Training**  
**System Planning and Regulatory Compliance**  
**Water Pollution Control**

**Anson B. Moran**  
**GENERAL MANAGER**

**Romaine A. Boldridge**  
**SECRETARY**



1. Call to Order: 1:15 P.M.

2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Marion E. Otsea, Commissioner Robert K. Werbe

Commissioner Frank L. Cook arrived at 1:17 P.M.

2-a. Report of the General Manager regarding Flood Conditions Last Week

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, reported that Holm and Kirkwood powerhouses were shut down last Thursday (January 2, 1997) due to flooding. Mr. Klein stated that the Moccasin Powerhouse was also shut down because record flow in Moccasin Creek had overtopped our diversion structure and contaminated Moccasin reservoir, and on Thursday night staff disconnected the entire Hetch Hetchy system from the City supply. According to Mr. Klein, this was the first time in memory that all the powerhouses and delivery to the City were shut down. He reported that floodwaters also did a lot of damage to Hetch Hetchy roads.

Commissioner Makras asked whether there was any lapse of power with the powerhouses being down. Mr. Klein stated that staff had found other sources of power for a week just before the Holm powerhouse was shut down.

Anson B. Moran, General Manager, Public Utilities Commission, stated that the storm caused staff to remove Hetch Hetchy as a source of water supply. He said that water supply to the Bay Area was now coming from two sources, the Sunol Valley Water Treatment Plant and Harry W. Tracy Water Treatment Plant. The two plants are both operating up to capacities and working well.

Mr. Moran noted that staff had received inquiries from the public regarding water quality. He said San Francisco Supervisor Susan Leal requested PUC to submit a report regarding any danger to anyone with a compromised immune system due to the presence of cryptosporidium and other contaminants in the water supply. Mr. Moran stated that staff is preparing a public announcement indicating that water from Hetch Hetchy has been isolated from the water supply system and that the water supply from two local sources has continued to meet all state and federal standards. The announcement would also reiterate prior advice to people with an immune compromised system to consider other options such as boiling water and drinking bottled water products.



Commissioner Otsea asked about the effects of the storm on storage capacities. Mr. Moran stated that we are fairly equipped to deal with this type of situation. Staff had asked suburban customers to manage their storage and reduce peaking of demand on the system. San Francisco customers, on the other hand, do not place a peaking demand on the system.

Commissioner Otsea commended staff for their hard work with which the members of the Commission concurred.

3. To receive the Preliminary Feasibility Study of Electric System Municipalization in San Francisco.

Ronald L. Knecht, President and Ray Czahar, Vice President of Economic and Technical Analysis Group (ETAG) gave a presentation using an overhead projector regarding the report on the feasibility of municipalizing the electric system in San Francisco. Mr. Knecht noted that the objectives of the study were to identify any potential savings in the City owning an electric distribution system and providing electricity to SF residents and businesses and whether the benefits justify further study or a decision to proceed with municipalization. Mr. Knecht discussed the economics of municipalization, acquisition cost estimates, financing costs, and changes in the electric industry resulting from the reregulation of the electric industry.

Commissioner Otsea inquired how a stranded asset situation affects the rates and whether the City needs to acquire the distribution system to buy and sell power now that anybody could have direct access to power supply. Mr. Knecht responded that the electric industry restructuring, including the development of power exchange and direct access, would provide lower cost energy and standardize power supply cost. Mr. Knecht stated that the stranded costs that would have been recovered by investor owned utilities (IOUs) from the ratepayers would be collected through Competition Transition Charges (CTC's), which would essentially liquidate IOU stranded costs. Mr. Klein stated that by March 31, 2002, more than 80% of the CTC's would have been recovered from ratepayers before municipalization could be implemented. Mr. Czahar stated that due to the passage of Assembly Bill 1890, many customers in San Francisco would be directly accessing their power supply from any provider including the City starting January 1998. He said PG&E's role after year 2000 is simply providing distribution service and that municipalization is not quite what it used to be.

Mr. Knecht discussed the difference in rates imposed by municipal and investor-owned utilities. He said municipal utilities can provide lower rates to consumers than IOUs primarily due to differences in financing costs and because municipal entities do not pay federal and state income taxes.

Mr. Knecht noted that the municipalization option has a built-in 5-6% advantage because municipal entities do not have to pay state and federal income taxes. Commissioner Werbe stated that savings are not just from the income tax savings. He said that PG&E takes depreciation every year based on current value of its assets and that the depreciation costs that rate payers are paying had to be accounted for as potential savings. Mr. Czahar stated that based upon his experience as a staff member of the California State Public Utilities Commission, PG&E bases depreciation on the original cost of the asset.

Commissioner Werbe commented that the savings from municipalization should be greater than just 5-6%. He said with municipalization, the City could avoid paying excessive management salaries and dividends to shareholders, and keeping a lot of reserves. Mr. Knecht stated that there is no real difference in savings from avoiding equity premiums. He said that PG&E salaries are higher; however, the California State Public Utilities Commission limits what a utility can pass on to the rate payer to \$100,000. Regarding reserves, the City would have to maintain the kind of reserve that PG&E maintains. Mr. Czahar stated that municipalization is only going to affect components that make up 20% of the cost of electricity or less. Any cost savings between municipalization and PG&E operations, as far as the overall impact on the rate payer, could only be derived from 20% of the total cost.

Vice President Makras requested the following information: (1) Itemize what the 5-6% savings are and the dollar amount and what would that mean on a bill to a customer; (2) On a dollar amount, what is the dividend and how that affects the ratepayer; (3) Itemize and provide a list of salaries over \$140,000 including bonuses, options in stock or anything taxable and what would be saved in salaries; (4) Provide a cost estimate based on ETAG's valuation of the system and what PG&E claims it to be; and (5) Should the City of San Francisco take over PG&E and had to float its cost with interest, give us the cost of year number one at prevailing rates, the cost of bonds should we refinance and lower it, and the reduction should we refinance and pay all those bonds off and what our savings would be after those reductions.

Mr. Knecht explained that multiplying 5-6% income tax savings by a typical monthly bill calculates the savings benefits per customer. He stated that salaries and compensations of over \$100,000 come out of stockholders and not of ratepayers. Regarding valuation, Mr. Knecht stated that depending on escalating costs, PG&E's valuation could go as high as \$1.4 or \$1.5 billion. He said PG&E did not provide a number but ETAG estimated an upper bound value by escalating a round number

provided by PG&E as a valuation during a municipalization election in the mid 80's. Mr. Knecht said that he would submit his response to Commissioner Makras' questions in writing.

Thereupon, the meeting was adjourned: 2:07 P.M.

Romaine A. Boldridge  
Secretary

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# MINUTES

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

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Willie L. Brown, Jr.  
MAYOR

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X  
SPECIAL MEETING

*January 7, 1997*

*Immediately following the 1:00 P.M. Budget Meeting*

Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

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Hetch Hetchy  
Clean Water Program

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Customer Service  
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Finance  
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Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

1. Call to Order: 3:57 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Marion E. Otsea, Commissioner Robert K. Werbe, Commissioner Frank L. Cook
3. Public comments on matters to be discussed in Closed Session.

There were none.

4. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

No action was taken.

Commissioner Werbe moved, seconded by Commissioner Otsea, not to disclose the discussion during the Closed Session; motion passed (5-0) unanimously.

Thereupon, the meeting was adjourned: 4:21 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

January 14, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

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### COMMISSIONERS

E. Dennis Normandy, President  
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## **ORDER OF BUSINESS**

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

9. Requesting the Mayor to recommend to the Board of Supervisors three supplemental appropriations in the total amount of \$2,058,212 and three amendments to the Annual Salary Ordinance creating twelve new positions to allow for the operation and maintenance of utility services on Treasure Island for the period April 1 to September 30, 1997. (Moran)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

10. Public Hearing - Final Report: Feasibility Study of Electric System Municipalization in San Francisco. (Klein)
11. Approving the Department of Public Works' proposal for undergrounding the utilities and relighting the Dolores Heights Area, with the provision that construction methods, component selection and other details meet with the approval of the Bureau of Light, Heat & Power. (Klein)

### **CUSTOMER SERVICES BUREAU**

**John P. Mullane, Manager**

12. Presentation to review the proposed revisions of the Memorandum of Understanding Regarding Urban Water Conservation as well as the projected impact of CALFED's proposal that urban water agencies increase their conservation efforts or face sanctions. (Mullane)
13. Adopting a policy relating to the shut-off of water service for non-payment of medically sensitive accounts. (Mullane)

## WATER SUPPLY & TREATMENT DIVISION

Cheryl Davis, Manager

14. Authorizing the General Manager of Public Utilities to reallocate \$100,000 from "Professional and Specialized Services" to "Services of Other Departments" in the Water Supply & Treatment Division's Operating Fund. (Davis)

## UTILITIES ENGINEERING BUREAU

Robert T. Cockburn, Manager

15. Approving the plans and specifications for three Water Department contracts and authorizing the Utilities Engineering Bureau to advertise for bids for: **San Francisco Water Department Contract No. 2127**, 8-Inch Ductile Iron Main Installation in Battery Street between Vallejo and Lombard Streets, and in Jackson Street between Stockton and Kearny Streets, and 6-Inch Ductile Iron Main in Wentworth Street; **San Francisco Water Department Contract No. 2194**, 6- & 8-Inch Ductile Iron Main Installation in 11th Street, 12th Street, and Other Streets between Bryant Street and Howard Street; and **San Francisco Water Department Contract No. 2195**, 8-Inch Ductile Iron Main Installation in Vallejo Street between Mason and Montgomery Streets, Grant Avenue between Union Street and Columbus Avenue, and Broadway between Columbus Avenue and Romolo Place San Francisco. (Cockburn)
16. Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute agreements with SOH & Associates/Olivia Chen Consultants, Inc., JV; AGS, Inc.; GKO & Associates/Golder Associates, JV; Structus, Inc.; Montgomery Watson/Strutus, Inc./Talavera & Richardson, JV; Camp Dresser & McKee, Inc.; Black & Veatch/AGS, Inc., JV; CET Environ. Services, Inc./Sierra Environ. Services, JV; CH2MHill, Inc./Ocampo-Esta, JV; Holms & Narver, Inc./Systems Support Technologies, Inc./The Zahn Group, JV; Gannett Fleming, Inc./NBA Engineering, Inc., JV; and Harza to provide as-needed specialized engineering services for a period of two years and total spending authority not to exceed \$3.2 million. (Cockburn)
17. Approving the award of Department of Public Works Contract 1209N, Larkin/Greenwich Streets Sewer Replacement, in the amount of \$518,000 to K. J. Woods Construction, Inc. as the lowest responsive bidder. (Cockburn)

18. Accepting the work performed under Bureau of Engineering Contract No. 1305N, Vicksburg Street Sewer Replacement, as satisfactorily complete; approving Final Contract Modification in the credit amount of \$11,615.00; and authorizing final payment in the amount of \$500.00 to the contractor, K.J. Woods Construction, Inc. (Cockburn)
19. Approving the plans and specifications for Bureau of Engineering Contract 1370N, Ludlow Alley Sewer Replacement, and authorizing advertisement for proposals.
20. Approving the plans and specifications for Bureau of Engineering Contract 1384N, Glover Street Sewer Replacement, and authorizing advertisement for proposals.

### **BUREAU OF FINANCE**

**Steven Carmichael, Director**

21. Approving Amendment No. 1 to the State Revolving Fund Loan between the State Water Resources Control Board and the City and County of San Francisco (Contract No. 5-808-550-1, Loan No. C-06-4025-251), increasing the value of the loan by \$5 million for the Rankin Pump Station Project of the Clean Water Program. (Carmichael)

### **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

22. Authorizing the General Manager of Public Utilities to execute a revocable permit to City College of San Francisco for student parking in the North Basin of the Balboa Reservoir, and for vehicular access between the North Basin and South Basin, Portion of Parcel 22 of the Balboa Reservoir Tract in San Francisco.
23. Authorizing the General Manager of Public Utilities to execute a lease with Evergreen Media Corporation of Los Angeles for approximately 4 acres of land, located on a portion of Parcel 46 of San Mateo County Lands in East Palo Alto, California, to maintain a remote controlled transmitter station including appurtenant ground system, tower, transmitter building and access, at an initial rental rate of \$2,500 per month. (Dowd)

24. Authorizing the General Manager of Public Utilities to execute a lease with Sprint Spectrum, L.P., for approximately 272 square feet of space on the third floor of Clean Water Machine Shop and an area on the roof of the same building located at 750 Phelps Street in San Francisco, to place nine (9) antennas and to place and use wiring and conduit, at a rental rate of \$1,500 per month. (Dowd)
25. Authorizing the General Manager of Public Utilities to execute a lease with Country Garden Nursery, Inc. for approximately 1.07 acres of land located adjacent to 1000 El Camino Real in South San Francisco, California to operate a nursery business at a rental rate of \$5,000 per month. (Dowd)
26. Authorizing the General Manager of Public Utilities to execute a lease with Tom Koulouris for use of Public Utilities Commission land located adjacent to 998 El Camino Real in South San Francisco, Portion of Parcel 24 of San Mateo County lands and a portion of Parcels 5 and 6 of the former Muni right of way, to operate a gasoline station and automotive repair and services at a rental rate of \$3,500 per month. (Dowd)
27. Authorizing the General Manager of Public Utilities to execute a lease with South City Car Wash, for use of Public Utilities Commission land located adjacent to 998 El Camino Real, Portion of Parcel 24 of San Mateo County lands and a portion of Parcels 5 and 6 of the former Muni right of way, to operate a car wash, at a rental rate of \$4,250 per month. (Dowd)
28. Authorizing the General Manager of Public Utilities to execute a lease with William A. Rose, for 394 acres of Public Utilities Commission land located on a portion of Parcel 69 of Pleasanton lands in Pleasanton, California, to plant, harvest and sell hay and grain for an annual rent of 26% of gross sales of hay and grain crop. (Dowd)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

29. Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the City of Daly City, the City of San Bruno, California Water Service Company, and the City and County of San Francisco relating to the development of a Groundwater Management Plan; and authorizing payment of \$40,000 to the City of Daly City as San Francisco's share of the Management Plan development cost. (Ritchie)

## **BUREAU OF PERSONNEL & TRAINING**

**Diana Buchbinder, Manager**

30. Ratifying and approving the Provisional and Temporary Appointments and Removals made by the General Manager of Public Utilities for the months of July, 1996 through December, 1996. (Buchbinder)

## **BUREAU OF WATER POLLUTION CONTROL**

**William Keaney, Manager**

31. Approving issuance of Request for Proposals to provide programming services for the Bureau of Water Pollution Control's Plant Maintenance Management System, Main/Tracker software. (Keaney)
32. Approving a modification to the agreement with Browning Ferris Industries for grit disposal services extending the contract retroactively from December 31, 1996 to March 31, 1997 and increasing the contract amount by \$85,000 for a total contract amount of \$385,000. (Keaney)



## CLOSED SESSION

33. Public Comments on matters to be discussed in Closed Session.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Moran/Laws/Reitzes)

Existing Litigation: CCSF v. County of San Mateo, Marin Superior Court No. 137-403.  
(Consolidated cases against San Mateo County and Alameda County)

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Dowd/Lymburn/Cohen)

Existing Litigation: City & County of San Francisco vs. Petrocchi Brothers, et.al.

36. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco  
Portion of Assessor's Block No. 3180

Parties Negotiating: Dowd/Cohen

Lessee: Undetermined

Under Negotiation: Price and Terms

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Pla/Roddy)

Anticipated Litigation: As Defendant  
Regarding Regional Water Quality Control Board Complaint  
No. 96-145.



38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Milstein)

Anticipated Litigation: As Defendant  
Regarding Donatello Hotel Water Lien Dispute

39. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Buchbinder/Thompson)

Existing Litigation: Richard Grove v. CCSF Water Department, Superior Court No.  
970-196.

40. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Buchbinder/Lee)

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Berliner)

Anticipated Litigation: As Defendant

42. Announcement following Closed Session.

43. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

SF  
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1/14/97

# MINUTES

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

January 14, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

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Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:15 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Marion E. Otsea, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

3. Approval of Minutes

Moved by Commissioner Werbe seconded by Commissioner Otsea, to adopt the Minutes of the Regular Meeting of December 10, 1996; passed (5-0) unanimously.

Moved by Commissioner Cook, seconded by Commissioner Werbe to adopt the Minutes of the Special Meeting of December 26, 1996; passed (5-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Otsea asked about the status of Moccasin Housing and the Hostel Society's proposal. Mr. Moran responded that staff is waiting for resolution of the lawsuit filed by Local 790 on behalf of the watershed keepers. Once a conclusion is reached on this matter, staff would report to the Commission with a recommendation regarding Moccasin housing.

Commissioner Makras inquired about the status of the City Attorney's opinion he requested regarding application of the lobbyist ordinance to Chevron.

Thomas M. Berliner, Utilities General Counsel, explained that the opinion the Commission requested required the review and approval of the District Attorney. Mr. Berliner stated that the review process took longer due to differences in the interpretation of the ordinance by the City Attorney and the District Attorney. He said that after several redraftings, the District Attorney eventually concurred with the City Attorney's original position. Counsel is now waiting for the District Attorney to sign off on the opinion.

Commissioner Makras suggested that response to inquiries should be submitted to the Commission at least within 30 days and that status reports should be provided to the Commission periodically.

President Normandy directed staff to give the Commission continuing updates on all items listed under Old/Ongoing Business as part of the regular meeting agenda.

6. Introduction of New Business by Commissioners

Commissioner Makras suggested scheduling a joint meeting of the members of the Public Utilities Commission and the Human Rights Commission so that the two Commissions could exchange information regarding HRC policies, PUC goals and how PUC does business. He commented that PUC is embarking on a \$1.2 billion capital improvement program and he would like to know what the goal of the Commission is concerning MBE/WBE participation.

Mr. Moran advised that he met with the Executive Director of the Human Rights Commission, Marivic Bamba, two weeks ago regarding Public Utilities setting its own MBE/WBE participation goals. Ms. Bamba had agreed to address the Commission at the January 28, 1997 PUC meeting. Mr. Moran said a presentation would also be made regarding the Airport's bidding procedures for its expansion project.

7. Report of the General Manager

HRC Open Forum

Mr. Moran stated that staff participated in an open forum meeting last week with contractors from the Filipino community. He said the meeting that HRC sponsored was well attended.

Water Supply

Mr. Moran reported that water supply to the Bay Area is still coming from the Sunol Valley Water Treatment Plant and Harry W. Tracy Water Treatment Plant. He stated that the turbidity level at Hetch Hetchy had gone down and that staff would continue to monitor the situation.

Contracting Policies Evaluation

Karen Kubick, Project Manager for Contracting Policies Evaluation, stated that the goals of the project were to get more diversity in selecting contractors, to meet the contracting requirements of the City, and to do it in a cost effective and efficient manner. Ms. Kubick stated that staff had retained two consultants to assist on this project, Julina Johnson and James White. Ms. Johnson would review the administration and organizational structure while Mr. White would review existing procedures for selecting consultants.

Commissioner Werbe noted that his objective would be to establish a system of prequalifying contractors and then consider price as a criterion in selecting a contractor. President Normandy thanked Commissioner Werbe for taking the lead in pursuing this process.

8. Public Comments

There was none.

9. Requesting approval of three supplemental appropriations creating twelve positions for the operation and maintenance of utility services on Treasure Island.

Laurie Park, Hetch Hetchy Water and Power Resource Manager, reported that the United States Navy requested PUC to operate and maintain the water, waste water, storm water, electric and gas utilities on Treasure Island for six months effective April 1, 1997 until its closure in October 1997. She stated the US Navy would fully reimburse the City for the costs of operating and maintaining those utility systems during that period.

Commissioner Werbe expressed his interest in visiting the facilities at Treasure Island. Larry Florin, Director of the Treasure Island Project for the Mayor's Office encouraged the Commission to tour the island.

Commissioner Makras asked whether the Navy would also assume the cost of any upgrade that may become mandatory and whether the State Department of Health Services could impose penalties on the City should the Navy's facilities not meet DHS requirements. Ms. Park replied that at a meeting with PUC staff, the Navy and DHS, DHS assured that the same standards apply to the Navy and the City as owners. She said that the Navy agreed to do whatever upgrade is necessary to satisfy DHS concerns. Thomas J. Vargo, Head, Public Utilities, Department of the Navy, Engineering Field Activity-West, added that the Navy would retain ownership of the facilities and therefore the permits will remain in the Navy's name and as such will be responsible for any cost incurred by the City.

President Normandy emphasized the need to expedite this process while the Navy is still on board and while they can still reimburse the City for any work that needs to be done.

In reply to the Commission's questions regarding staffing issues, Diana Buchbinder, Manager, Bureau of Personnel & Training stated that staff would use existing Civil Service lists and invite current Treasure Island employees to apply for the positions that are needed for this project.



Mr. Moran replied to Commissioner Normandy's question that management responsibility for those staff assigned at Treasure Island would still be under the normal chain of command for Hetch Hetchy Water & Power, City Distribution System, and Bureau of Sewer Repair and Treatment.

Mr. Florin replied to Commissioner Otsea's concern that the Navy would be responsible for remediation action associated with toxic conditions.

Moved by Commissioner Werbe, seconded by Commissioner Otsea to adopt Item 9; carried (5-0) unanimously.

Resolution No. 97-0001: Requesting the Mayor to recommend to the Board of Supervisors three supplemental appropriations in the total amount of \$2,058,212 and three amendments to the Annual Salary Ordinance creating twelve new positions to allow for the operation and maintenance of utility services on Treasure Island for the period April 1 to September 30, 1997.

10. Public Hearing - Final Report: Feasibility Study of Electric System Municipalization in San Francisco.

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, stated that the American Public Power Association requested an opportunity to comment on Feasibility Study Report and they would be submitting their comments in writing.

Joel Ventresca, Chair, San Franciscans for Public Power, commented on the report submitted by ETAG and requested that the Commission refute the report.

Commissioner Werbe asked Mr. Ventresca to submit his comments in writing. President Normandy also requested staff to respond to Mr. Ventresca's comments in writing.

Mr. Fred Reyes commented that since the subject of discussion is a public issue, comments from both sides should be heard in public. President Normandy pointed out that the Commission requested to put comments in writing due to the length of the commentary and to allow staff to respond to each issue.

President Normandy closed the public hearing on this item.

Commissioner Makras asked the consultant to identify the source of data and comments referenced in the report. He asked the consultant to elaborate interlocking board issues for PG&E board members, look at the compensation that interlocked them all, provide a chart to see the interlocking of each Board of



Directors and other bodies they serve on and what compensation they receive for sitting on those boards. He also asked to include in the report how much political contributions PG&E had made to elected local and State officials.

Commissioners Otsea and Werbe commented that some of the attachments of the report were unreadable and suggested redoing them in larger type. Commissioner Werbe echoed Commissioner Makras' comment to identify the sources of data. He also wanted to know how dividends to shareholders and depreciation do not affect PG&E's rate making process. Ron Knecht, consultant from Economic and Technical Analysis Group, responded that for a regulated investment owned utility, dividends do not determine what the rates are, the total earnings on equities determine the rate. Mr. Knecht stated that ratepayers pay for depreciation.

Commissioner Makras asked the consultant to find out what portion of the dividends PG&E paid are allocatable as San Francisco's portion and to look at the salaries, interest rates, and taxes they paid. He said by knowing what the dividends and the tax savings that the City would gain, we could find out how many years it would take to pay off the system. Mr. Knecht stated that all the numbers referenced in the report include the purchase of the system, avoiding the effect of PG&E's return on equities and savings from high executive salaries.

Regarding the assumption of breaking up dividends for San Francisco, Mr. Berliner suggested that the consultant emphasize that their assumption was simply in response to the Commission's inquiry and does not represent any valuation of PG&E facilities.

President Normandy asked the Commission how staff should proceed on this matter. Commissioner Otsea stated that she would want to see a recommendation from Mr. Klein but she would want to send the report to the Board of Supervisors without any recommendation. Commissioner Werbe stated that he would like to see all of the written responses first before he could make a recommendation. Commissioner Cook stated that he was in favor of getting a recommendation from Mr. Klein. Commissioner Makras stated he would prefer that the General Manager of Public Utilities prepare a recommendation, provide opportunity for the Commission to discuss it and then pass the report to the Board of Supervisors with a recommendation. President Normandy stated that the action of the Commission is dependent on the quality of the report and the Commission cannot make a decision until the final report is submitted.

Mr. Moran summarized what the Commission was directing staff to do to which Commissioners Makras and Cook expressed concurrence. The General Manager will prepare a recommendation that will include: 1) a commentary on the report whether the report is accurate, reasonable and understandable; 2) staff's opinion on whether there should be a follow-on study; and 3) a tentative recommendation on whether it is in the City's best interest to do a detailed evaluation of the system.

Commissioner Otsea objected to this direction to staff as it is unfair to ask them to make a recommendation at this time based on the quality of the report. Commissioner Normandy suggested that staff prepare to respond to these directions at the final stage of the Commission review process.

Item 10 was continued to the next meeting on January 28, 1997.

11. Approving the Department of Public Works' proposal for undergrounding the utilities and relighting the Dolores Heights Area.

Commissioner Otsea was excused from 3:14 to 3:17 P.M.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 11, passed (4-0) unanimously. (Commissioner Otsea was excused).

Resolution No. 97-0002: Approving the Department of Public Works' proposal for undergrounding the utilities and relighting the Dolores Heights Area, with the provision that construction methods, component selection and other details meet with the approval of the Bureau of Light, Heat & Power.

12. Presentation to review the proposed revisions of the Memorandum of Understanding Regarding Urban Water Conservation as well as the projected impact of CALFED's proposal that urban water agencies increase their conservation efforts or face sanctions.

Kim Knox, Administrator of the Water Conservation Program, reported that CALFED announced that urban water agencies have to improve their water conservation programs or face sanctions. The type of sanctions being considered include having the State Water Resources Control Board reduce water rights during a drought or determining how much water can be taken out of the Bay Delta.

Mr. Moran commented that there has been a lot of pressure from the environmental community to place maximum effort on conservation as part of overall water planning.

Mr. Moran stated that the City's position on this matter is that: 1) there should not be a mandate on the level of effort if an agency can achieve results without spending money; 2) agricultural industries should also be required to conserve; and 3) further definition of best management practices should be encouraged before discussing the form of sanctions.

No action was taken. Staff will return to the Commission to obtain direction on how

to proceed with the CALFED process.

13. Adopting a policy relating to the shut-off of water service for nonpayment of medically sensitive accounts.

John P. Mullane, Manager, Customer Services Bureau, stated that the policy will have minimal financial impact to the City. Mr. Moran stated that the policy only applies to accumulated balances to help a customer bring his or her account current.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt a policy giving full exemption for medically sensitive accounts from shutoff of water service for non payment of water and sewer services charges as provided by AB 1770; passed (5-0) unanimously.

Resolution No. 97-0003: Adopting a policy relating to the shut-off of water service for nonpayment of medically sensitive accounts.

14. Authorizing reallocation of \$100,000 to "Services of Other Departments" in the Water Supply & Treatment Division's Operating Fund.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item 14, passed (5-0) unanimously.

Resolution No. 97-0004: Authorizing the General Manager of Public Utilities to reallocate \$100,000 from "Professional and Specialized Services" to "Services of Other Departments" in the Water Supply & Treatment Division's Operating Fund.

On recommendation of President Normandy, Commissioner Werbe moved, seconded by Commissioner Otsea, to adopt Items 15, 17, 18, 19 and 20 as consent items; passed (5-0) unanimously.

15. Resolution No. 97-0005: Approving the plans and specifications for three Water Department contracts and authorizing the Utilities Engineering Bureau to advertise for bids for: **San Francisco Water Department Contract No. 2127**, 8-Inch Ductile Iron Main Installation in Battery Street between Vallejo and Lombard Streets, and in Jackson Street between Stockton and Kearny Streets, and 6-Inch Ductile Iron Main in Wentworth Street; **San Francisco Water Department Contract No. 2194**, 6- & 8-Inch

Ductile Iron Main Installation in 11th Street, 12th Street, and Other Streets between Bryant Street and Howard Street; and **San Francisco Water Department Contract No.2195**, 8-Inch Ductile Iron Main Installation in Vallejo Street between Mason and Montgomery Streets, Grant Avenue between Union Street and Columbus Avenue, and Broadway between Columbus Avenue and Romolo Place San Francisco.

17. Resolution No. 97-0007: Approving the award of Department of Public Works Contract 1209N, Larkin/Greenwich Streets Sewer Replacement, in the amount of \$518,000 to K. J. Woods Construction, Inc. as the lowest responsive bidder.
18. Resolution No. 97-0008: Accepting the work performed under Bureau of Engineering Contract No. 1305N, Vicksburg Street Sewer Replacement, as satisfactorily complete; approving Final Contract Modification in the credit amount of \$11,615.00; and authorizing final payment in the amount of \$500.00 to the contractor, K.J. Woods Construction, Inc.
19. Resolution No. 97-0009: Approving the plans and specifications for Bureau of Engineering Contract 1370N, Ludlow Alley Sewer Replacement, and authorizing advertisement for proposals.
20. Resolution No. 97-0010: Approving the plans and specifications for Bureau of Engineering Contract 1384N, Glover Street Sewer Replacement, and authorizing advertisement for proposals.
16. Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute agreements to provide as-needed specialized engineering services.

Commissioner Makras suggested increasing the participation goals across the board to 35% MBE and 20% WBE.

Thomas M. Berliner, Utilities General Counsel, recommended that the Commission act separately on the resolution and a direction to increase participation goals for this contract. He noted that counsel will return to the Commission on the issue of whether the Commission has authority to change the participation goals set by the Human Rights Commission.



Commissioner Makras pointed out that he would like to set these goals as a mandatory requirement. He added that he would like staff to make sure that the consultants meet these goals. If these goals are not met, staff should return to the Commission and report why they were not achieved.

President Normandy suggested moving forward with the resolution as written. He directed staff to schedule an agenda item for the next Commission meeting that would set participation goals of 35% MBE and 20% WBE for this contract.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item 16, passed (5-0) unanimously.

Resolution No. 97-0006: Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute agreements with SOH & Associates/Olivia Chen Consultants, Inc., JV; AGS, Inc.; GKO & Associates/Golder Associates, JV; Structus, Inc.; Montgomery Watson/Strutus, Inc./Talavera & Richardson, JV; Camp Dresser & McKee, Inc.; Black & Veatch/AGS, Inc., JV; CET Environ. Services, Inc./Sierra Environ. Services, JV; CH2MHill, Inc./Ocampo-Esta, JV; Holms & Narver, Inc./Systems Support Technologies, Inc./The Zahn Group, JV; Gannett Fleming, Inc./NBA Engineering, Inc., JV; and Harza to provide as-needed specialized engineering services for a period of two years and total spending authority not to exceed \$3.2 million.

21. Approving Amendment No. 1 to the State Revolving Fund Loan between the State Water Resources Control Board and the City and County of San Francisco.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 21, passed (5-0) unanimously.

Resolution No. 97-0011: Approving Amendment No. 1 to the State Revolving Fund Loan between the State Water Resources Control Board and the City and County of San Francisco (Contract No. 5-808-550-1, Loan No. C-06-4025-251), increasing the value of the loan by \$5 million for the Rankin Pump Station Project of the Clean Water Program.

22. Authorizing a revocable permit to the City College of San Francisco for student parking in the North Basin of the Balboa Reservoir, and vehicular access between the North Basin and South Basin of the Balboa Reservoir Tract in San Francisco.

Garrett Dowd, Manager, Bureau of Commercial Land Management, noted that staff prepared two options for the Commission's consideration for providing vehicular access from the North Basin to the South Basin of the Balboa Reservoir. Option 1 would allow the college to cut through the middle berm of the reservoir. Option 2 would place a ramp over the middle berm of the reservoir. Mr. Dowd stated that staff recommends Option 2.

Peter Goldstein, Chief Operating Officer, Community College District, stated that the College is willing to go with building a ramp (Option 2).

Commissioner Werbe expressed objections to granting use of the land at no charge to the College. He stated that the Commission has a responsibility to rate payers to maximize use of our lands and granting free or subsidized parking does not serve this responsibility. He also mentioned that public transportation is readily available for students at the college.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 22 with Option 2, (to build a ramp between the North Basin and South Basin of the Balboa Reservoir), passed (4-1). Commissioner Werbe voted no.

Resolution No. 97-0012: Authorizing the General Manager of Public Utilities to execute a revocable permit to City College of San Francisco for student parking in the North Basin of the Balboa Reservoir, and for the placement of a ramp over the middle berm to allow vehicular access between the North Basin and South Basin, Portion of Parcel 22 of the Balboa Reservoir Tract in San Francisco.

On recommendation of President Normandy, Commissioner Werbe moved, seconded by Commissioner Otsea to adopt Items 23, 24 and 28 as consent items. Commissioner Makras voted no. The motion passed 4-1.

Commissioner Makras commented that he was voting against Item 23. He noted that he was not opposed to staff's recommendation to bring up the revenue for this site. However, he was not convinced that it was the best deal. On motion by Commissioner Werbe, seconded by Commissioner Otsea, the Commission voted unanimously to rescind the previous vote to adopt Items 23, 24 and 28.

The Commission then engaged in discussion of Item 23.

23. Authorizing a lease with Evergreen Media Corporation of Los Angeles.

Commissioner Makras commented that he was opposed to the lease because the site is vital to one radio station. He said he was not convinced that the City was getting the right price for the value of the tower.

Tom Hopfensperger, Manager, Evergreen Media Corporation, stated that the tower is vital to the operation of the children's programming station. Mr. Hopfensperger noted that there is no alternative use for the station and it is solely for the use of Kidstar programs.

Commissioner Makras suggested amending the resolution to authorize a lease on a month to month basis so as not to delay Evergreen and to allow time for staff to explore whether the price was equitable. Commissioner Makras moved; seconded by Commissioner Werbe to adopt Item 23 as amended; passed (5-0) unanimously.

Resolution No. 97-0013: Authorizing the General Manager of Public Utilities to execute a lease with Evergreen Media Corporation of Los Angeles for approximately 4 acres of land, located on a portion of Parcel 46 of San Mateo County Lands in East Palo Alto, California, to maintain a remote controlled transmitter station including appurtenant ground system, tower, transmitter building and access, on a month-to-month basis, at an initial rental rate of \$2,500 per month.

Moved by Commissioner Otsea, seconded by Commissioner Werbe to adopt Items 24 and 28 as consent items; passed (5-0) unanimously.

24. Resolution No. 97-0014: Authorizing the General Manager of Public Utilities to execute a lease with Sprint Spectrum, L.P., for approximately 272 square feet of space on the third floor of Clean Water Machine Shop and an area on the roof of the same building located at 750 Phelps Street in San Francisco, to place nine (9) antennas and to place and use wiring and conduit, at a rental rate of \$1,500 per month.

28. Resolution No. 97-0018: Authorizing the General Manager of Public Utilities to execute a lease with William A. Rose, for 394 acres of Public Utilities Commission land located on a portion of Parcel 69 of Pleasanton lands in Pleasanton, California, to plant, harvest and sell hay and grain for an annual rent of 26% of gross sales of hay and grain crop.



On recommendation by President Normandy Items 25, 26, and 27 will be discussed after the Closed Session.

29. Authorizing execution of a Memorandum of Understanding with the City of Daly City, the City of San Bruno, California Water Service Company, and the City and County of San Francisco relating to the development of a Groundwater Management Plan.

Commissioner Werbe was excused from 4:15 p.m. to 4:18 p.m.

President Normandy read a letter from Senator Quentin L. Kopp, encouraging the Commission to obtain more input from public entities regarding the groundwater management plan.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item 29, passed (4-0). (Commissioner Werbe was excused).

Resolution No. 97-0019: Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the City of Daly City, the City of San Bruno, California Water Service Company, and the City and County of San Francisco relating to the development of a Groundwater Management Plan; and authorizing payment of \$40,000 to the City of Daly City as San Francisco's share of the Management Plan development cost.

30. Ratifying and approving the Provisional and Temporary Appointments and Removals.

Moved by Commissioner Werbe, seconded by Commissioner Otsea, to adopt Item 30, passed (4-0). (Commissioner Werbe was excused).

Resolution No. 97-0020: Ratifying and approving the Provisional and Temporary Appointments and Removals made by the General Manager of Public Utilities for the months of July, 1996 through December, 1996.

31. Approving issuance of Request for Proposals to provide programming services for the Bureau of Water Pollution Control's Plant Maintenance Management System.

Moved by Commissioner Makras, seconded by Commissioner Otsea, to adopt Item 31, passed (4-0). (Commissioner Werbe was excused).

Resolution No. 97-0021: Approving issuance of Request for Proposals to provide programming services for the Bureau of Water Pollution Control's Plant Maintenance Management System, Main/Tracker software.

Commissioner Werbe returned during the discussion of Item 32.

32. Approving a modification to the agreement with Browning Ferris Industries for grit disposal services.

Commissioner Otsea moved to adopt the resolution. Motion died for lack of a second.

Commissioner Cook inquired why this contract was not going out for bid. William Keaney, Manager, Bureau of Water Pollution control, stated that the contract with Brown Ferring Industries had to be extended on a short term basis to continue with the removal of grit while staff is working on a bid process to establish a new contract for this service.

Commissioner Makras suggested amending the resolution to extend the contract with Browning Ferries, Inc. from December 31, 1996 to June 30, 1997 to allow staff more time to work on the bid process.

Moved by Commissioner Makras, seconded by Commissioner Otsea, to adopt Item 32 as amended, passed (5-0) unanimously.

Resolution No. 97-0022: Approving a modification to the agreement with Browning Ferris Industries for grit disposal services extending the contract retroactively from December 31, 1996 to June 30, 1997 and increasing the contract amount by \$170,000 for a total contract amount of \$470,000.

## CLOSED SESSION

33. Public Comments on matters to be discussed in Closed Session.

There were none.

The Public Utilities Commission met in Closed Session to discuss the following matters from 4:30 P.M. to 6:10 P.M.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: CCSF v. County of San Mateo, Marin Superior Court No. 137-403.(Consolidated cases against San Mateo County and Alameda County)

Moved by Commissioner Werbe, seconded by Commissioner Otsea, to approve settlements for Item 34; passed (5-0) unanimously.

Resolution No. 97-0023: Approving the settlement of City and County of San Francisco v. County of San Mateo, Marin Superior Court Nos. 132-479 and 137-403 as set forth in the written Settlement Agreement, and recommending the Settlement Agreement to the Board of Supervisors for approval.

Resolution No. 97-0024: Approving the settlement of City and County of San Francisco v. County of Alameda, Marin Superior Court Nos. 133-826, as set forth in the written Settlement Agreement, and recommending the Settlement Agreement to the Board of Supervisors for approval.

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City & County of San Francisco vs. Petrocchi Brothers, et.al.

Moved by Commissioner Werbe, seconded by Commissioner Makras, to approve a settlement for Item 35, passed (5-0) unanimously.

Resolution No. 97-0025: Authorizing the General Manager of Public Utilities to execute a Settlement Agreement and a Cooperation Agreement with Petrocchi Brothers.

36. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco  
Portion of Assessor's Block No. 3180  
Parties Negotiating: Dowd/Cohen  
Lessee: Undetermined  
Under Negotiation: Price and Terms

No action was taken.

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Regional Water Quality Control Board  
Complaint No. 96-145.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to approve a settlement for Item 37, passed (5-0) unanimously.

Resolution No. 97-0026: Requesting the City Attorney to present to the Board of Supervisors an acceptance of a \$300,000 settlement of the Administrative Civil Liability (ACL) and a waiver of a hearing at the Regional Water Quality Control Board; and recommending that the ACL fine be allocated to environmental enhancement projects recommended by the Friends of the San Francisco Estuary and approved by the Executive Office of the Regional Water Quality Control Board.

38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Donatello Hotel Water Lien Dispute

No action was taken.

39. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Richard Grove v. CCSF Water Department, Superior Court No. 970-196.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to approve a settlement for Item 39, passed (5-0) unanimously.

Resolution No. 97-0027: Approving a settlement in the case of Richard Grove v. CCSF Water Department, Superior Court No. 970-196.

40. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Local 790 v. PUC, San Francisco Water Department, Superior Court No. 962-456.

Item 40 was removed from the agenda.

41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

No action was taken.

Commissioner Werbe was excused at the conclusion of the Closed Session.

42. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

43. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Otsea not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously. Commissioner Werbe was excused.

The Commission resumed discussion of the remaining regular agenda items.

On recommendation by President Normandy, Commissioner Makras moved, seconded by Commissioner Cook to adopt Items numbered 25, 26, and 27 as consent items; passed (4-0) unanimously.

- 25. Resolution No. 97-0015: Authorizing the General Manager of Public Utilities to execute a lease with Country Garden Nursery, Inc. for approximately 1.07 acres of land located adjacent to 1000 El Camino Real in South San Francisco, California to operate a nursery business at a rental rate of \$5,000 per month.
- 26. Resolution No. 97-0016: Authorizing the General Manager of Public Utilities to execute a lease with Tom Koulouris for use of Public Utilities Commission land located adjacent to 998 El Camino Real in South San Francisco, Portion of Parcel 24 of San Mateo County lands and a portion of Parcels 5 and 6 of the former Muni right of way, to operate a gasoline station and automotive repair and services at a rental rate of \$3,500 per month.
- 27. Resolution No. 97-0017: Authorizing the General Manager of Public Utilities to execute a lease with South City Car Wash, for use of Public Utilities Commission land located adjacent to 998 El Camino Real, Portion of Parcel 24 of San Mateo County lands and a portion of Parcels 5 and 6 of the former Muni right of way, to operate a car wash, at a rental rate of \$4,250 per month.

Thereupon, the meeting was adjourned: 6:18 P.M.

Romaine A. Boldridge  
Secretary





# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

DOCUMENTS DEPT.

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### *SPECIAL MEETING*

*January 21, 1997*

**IMMEDIATELY FOLLOWING THE 1:00 P.M. BUDGET MEETING**

Room 402

1155 Market Street, Fourth Floor

#### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## **ORDER OF BUSINESS**

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

### **CLOSED SESSION**

3. Public Comments on matters to be discussed in Closed Session.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTER:

4. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Milstein)  
  
Anticipated Litigation: Regarding Rainbow Drive Landslide in San Mateo County.
5. Announcement following Closed Session.
6. Motion regarding whether to disclose the discussions during Closed Session.

### **REGULAR BUSINESS - OPEN SESSION**

#### **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

7. Authorizing the Manager of Water Supply and Treatment to issue land use permits on an emergency basis for remedial work by other parties involving the Rainbow Drive landslide, at no cost. (Davis/Milstein)

**ADJOURNMENT**



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# MINUTES

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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**SPECIAL MEETING**

January 21, 1997

**IMMEDIATELY FOLLOWING THE 1:00 P.M. BUDGET MEETING**

Room 402

1155 Market Street, Fourth Floor

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 4:00 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Marion E. Otsea, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

3. Public Comments on matters to be discussed in Closed Session.

There were none.

The Public Utilities Commission met in Closed Session from 4:00 P.M. to 4:10 P.M.

4. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: Regarding Rainbow Drive Landslide in San Mateo County.

No action was taken.

5. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced that no action was taken during the Closed Session.

6. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Otsea, seconded by Commissioner Werbe not to disclose the discussion during the Closed Session; passed (5-0) unanimously.



7. Authorizing issuance of land use permits on an emergency basis.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item No. 7; passed (5-0) unanimously:

Resolution No. 97-0027A: Authorizing the Manager of Water Supply and Treatment Division to issue land use permits at no cost on an emergency basis for remedial work by other parties involving the City's property in the vicinity of Polhemus Road and Rainbow Drive and that such authority be granted only upon the receipt of sufficient hold harmless agreement(s) approved by the City Attorney.

Thereupon, the meeting was adjourned: 4:14 P.M.

Romaine A. Boldridge  
Secretary

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# AGENDA

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

#### REGULAR MEETING

January 28, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

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#### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

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Commercial Land Management  
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Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - Presentation by the Executive Director of San Francisco Human Rights Commission - Marivic Bamba.
  - Presentation Regarding Contracting Procedures at the Airport - Jason Yuen.
  - Presentation Regarding Electric Power Deregulation - Lawrence T. Klein
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

9. Directing the General Manager to insure that no additional lawn, grass or turf, be installed at any Public Utilities Commission's facilities without specific approval of the Commission. (Moran)
10. Requesting the Public Utilities Commission to consider the Preliminary Feasibility Report on the Seismic Upgrade and Recreational Use of Sunset Reservoir - North Basin. (Moran)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

11. Public Hearing - To consider the Final Draft Report on the Feasibility Study of Electric System Municipalization in San Francisco and authorizing transmittal of the report to the Board of Supervisors. (Klein)
12. Authorizing the General Manager of Public Utilities to execute the second modification to the agreement with Trihey & Associates, extending the term of the contract to March 31, 1998 and increasing contract funding by \$237,000 for a contract total not to exceed \$587,000. (Klein)
13. Adopting a policy that will provide metal halide lighting as an alternative to high pressure sodium lighting in certain circumstances. (Klein)

## **CUSTOMER SERVICES BUREAU**

**John P. Mullane, Manager**

14. Authorizing the General Manager of Public Utilities to negotiate and execute an agreement with Olivia Chen Consultants, Inc./Barbara Foster Associates, a Joint Venture, to provide professional emergency planning services for a contract amount not to exceed \$150,000 for a term not to exceed twelve months. (Mullane)
15. Approving the direct distribution of 2,000 ultra low flow toilets to nonprofit housing organizations for installation in residential housing units in San Francisco. (Knox)
16. Approving the direct distribution of 6,000 ultra low flow toilets to San Francisco Water Department's residential customers at a cost of \$10 per toilet. (Knox)

## **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

17. Authorizing a two-year trial period to open the Pulgas Temple to vehicular access during daylight hours on Sundays. (Davis)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

18. Authorizing the General Manager of Public Utilities to execute an application and agreement with the Olympic Club to purchase water from the San Francisco Public Utilities Commission. (Ritchie)
19. Authorizing the Manager of the Bureau of System Planning & Regulatory Compliance to distribute a Request for Proposal (RFP) to consultants to provide engineering services for the improvements needed at the Sunol Valley Water Treatment Plant. (Ritchie)

## UTILITIES ENGINEERING BUREAU

**Robert T. Cockburn, Manager**

20. Approving the final plans and specifications for San Francisco Water Department Contract WD-2204, 8-Inch Ductile Iron Main Installation in Fifteenth Street between Dolores and Folsom Streets; and authorizing advertisement for bids. (Cockburn)
21. Approving the award of the Department of Public Works Contract No. 1219N, Buchanan/Steiner Streets Sewer Replacement, in the amount of \$296,565 to the lowest responsive bidder, Shaw Pipeline, Inc. (Cockburn)
22. Approving the award of the Department of Public Works Contract No. 1256N, 21st/22nd/23rd Streets Sewer Replacement, in the amount of \$283,000 to the lowest responsive bidder, K. J. Woods Construction, Inc. (Cockburn)
23. Approving the award of the Department of Public Works Contract No. 1361N, Patterson Street Sewer Construction, in the amount of \$98,113 to the lowest responsive bidder, Trinet Construction, Inc. (Cockburn)
24. Approving the award of the Department of Public Works Contract No. 1252N, Shotwell Street Sewer Replacement, in the amount of \$255,270 to the lowest responsive bidder, Harty Pipelines, Inc. (Cockburn)
25. Approving the award of the Department of Public Works Contract No. 1364N, Concord Street Sewer Replacement, in the amount of \$467,617 to the lowest responsive bidder, Harty Pipelines, Inc. (Cockburn)
26. Approving the final plans and specifications for the Bureau of Engineering Contract 1372N, Beach Street Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
27. Approving the final plans and specifications for the Bureau of Engineering Contract 1376N, Jackson Street Sewer Replacement, and authorizing advertisement for bids. (Cockburn)



## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

28. Authorizing the General Manager of Public Utilities to execute a Utility Agreement with the City of Daly City and Caltrans to allow for the relocation of San Francisco Water Department's 54" and 30" water pipelines which cross State Route SM-280, as required by the City of Daly City's Eastmoor Avenue Off Ramp Extension and Utility Relocation Project. (Dowd)
29. Authorizing the General Manager of Public Utilities to execute an interim month-to-month lease with Cisco Systems, Inc. for approximately 4.41 acres of Public Utilities Commission land located on a portion of Parcel 122 of Bay Division Pipeline Nos. 3 and 4 right of way in San Jose, California for a parking lot, utilities, landscaping purposes and ingress and egress to and from adjacent buildings and driveways, at an initial rental rate of \$7,488 per month. (Dowd)
30. Authorizing the General Manager of Public Utilities to execute a month-to-month lease to Artichoke Joe's Casino for use of Public Utilities Commission land located adjacent to Huntington Avenue extending from San Mateo Avenue to Sylvan Avenue in San Bruno, California for automobile parking, at a rental rate of \$12,500 per month. (Dowd)

## CLOSED SESSION

31. Public Comments on matters to be discussed in Closed Session.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Milstein)

Anticipated Litigation: As Defendant  
Regarding Donatello Hotel Water Lien Dispute

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Buchbinder/Lee)

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Pla/Roddy)

Anticipated Litigation: As Defendant  
Regarding Regional Water Quality Control Board Complaint  
No. 96-145.

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Roddy)

Existing Litigation: City and County of San Francisco v. United States of  
America, et.al., Case No. C95-1752 VRW.

CLOSED SESSION (CONTINUED)

36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Berliner)

Anticipated Litigation: As Defendant

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Bay Delta Hearing D-1630.

39. Announcement following Closed Session.

40. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

January 28, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

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## COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

## DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 1:07 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Marion E. Otsea, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

3. Approval of Minutes

Moved by Commissioner Otsea, seconded by Commissioner Makras, to adopt the Minutes of the PUC Special Meeting of January 7, 1997, the Minutes of January 7, 1997 PUC Budget Committee Meeting, the Minutes of the Special Meeting of January 7, 1997 following the Budget Committee Meeting, and the amended Minutes of the January 9, 1997 Budget Committee Meeting; passed (5-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Anson B. Moran, General Manager of Public Utilities, reported on the status of the items listed under Old/Ongoing Business of the PUC.

6. Introduction of New Business by Commissioners

Grazing Leases

Commissioner Makras stated that he had been advised by staff that young calves were carriers of cryptosporidium. He emphasized the importance of responding to the issue in the quickest fashion due to its potential risk to water quality. He urged that the Commission calendar all of the grazing leases and to calendar an item that would eliminate cattle grazing in the watershed. He noted that eliminating cattle grazing may not fully solve the problem of cryptosporidium; however, the Commission could be part of the solution by controlling its signing of grazing leases.

President Normandy suggested including this issue in a larger context and directed staff to include on the agenda for February 11, 1996 the watershed management plan and schedule a public hearing to reopen the proposed alternative for the watershed management plan.

#### FY 1997-98 Budget

Commissioner Makras requested that the General Manager of Public Utilities prepare a rating, on a scale of one to five, of where the department is and an outlook of where the department will be a year from now.

President Normandy requested the General Manager to prepare an updated job description that would be used by the Commission in evaluating the performance of the General Manager.

Commissioner Otsea suggested that the members of the Commission also prepare a rating of where the Commission is and their projection for the future.

#### 7. Report of the General Manager

- a) Presentation by the Executive Director of San Francisco Human Rights Commission.

Marivic Bamba, Executive Director of the San Francisco Human Rights Commission, expressed appreciation to the Commission for not only supporting the MBE/WBE program but also for reinforcing the objectives and the spirit of the program. Ms. Bamba discussed the goal setting methodology applied by HRC to City contracts.

The Commission engaged in a question and answer discussion with Ms. Bamba regarding certifying contractors and other HRC procedures.

- b) Presentation Regarding Contracting Procedures at the Airport.

Jason Yuen discussed the process that the Airport Commission used to select consultants for its \$2.4 billion Airport Expansion Program.

Commissioner Makras asked what the Human Rights Commission (HRC) did to help subcontractors become prime contractors. Ms. Bamba stated that HRC was trying to establish a Citywide bonding and insurance program.

Commissioner Makras asked whether the participation goals could be increased in incremental phases as the department successfully meets each participation goal. Ms. Bamba responded that it was consistent with the objectives of the MBE/WBE program of not just meeting the minimum threshold but getting maximum participation; however, the department must justify that goals were met consistently and not just that a good faith effort was made.

Commissioner Makras asked whether the Commission could place mandatory MBE/WBE participation goals for which a contractor could be penalized if they were not able to reach the goals; or could it set goals that would allow a contractor to set goals for himself as an added value. Ms. Bamba responded that the Commission could suggest an alternative level of participation; however, the Commission would need to be able to justify its recommendation.

Commissioner Makras asked how could the Commission assist contractors to take on more responsibilities. Ms. Bamba suggested reducing insurance and bonding requirements, providing technical assistance programs, ensuring that small businesses are paid on time, giving primes who have mentorship or technical assistance additional bonus points, and asking prime contractors to offer more opportunities to their subcontractors.

Commissioner Makras directed staff to calendar an item setting a payment schedule for all new contracts. He requested that staff present this item for discussion within the next two to three meetings.

c) Presentation Regarding Electric Power Deregulation.

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, presented the first of a series of presentations regarding restructuring of the electric industry. Mr. Klein gave an overview of current operations and future industry structure.

Commissioner Werbe asked how much would PG&E charge per month to retail customers to use their lines. Don Amuzie, Account Representative of Pacific Gas & Electric Company, explained that the bonded rates include the cost of distribution, transmission, public goods, Competitive Transition Charges (CTC), and energy. Mr. Klein stated that the transmission and distribution rates would be set as they are now on a cost basis; however, all the investor owned utilities agreed to a price freeze for five years on the total price of delivered electricity to all their ratepayers. He added that the State was going to issue bonds to cut homeowners' cost by 10% to 20% which

would then be paid back by homeowners over 20 to 30 years. Commissioner Werbe stated that this was an outrageous proposal.

The Commission expressed the need for staff to convey this information to the Board of Supervisors.

Commissioner Makras asked what the monthly cost would be to use PG&E's facilities to distribute electricity to retail customers and whether charges would be based on usage or on a per house basis. Mr. Amuzie said he would provide the cost at the next meeting.

The meeting recessed at 3:07 and reconvened at 3:20 p.m.

#### 8. Public Comments

There were none.

#### 9. Directing the General Manager to insure no additional lawn, grass or turf, be installed at any Public Utilities Commission's facilities.

Mr. Moran stated that a letter was received from Crystal Springs Golf Course expressing concern about the Commission's proposed action. He said that the intent of the resolution was to apply the policy to the department's own facilities.

Commissioner Werbe expressed the opinion that what our tenants do is their business and we have no right to interfere. He referenced the proposed resolution which stated "no additional lawn, grass or turf", and said that he didn't want "any" grass. He expressed his desire to remove all grass.

Commissioner Otsea expressed the opinion that a total prohibition would be too drastic. She spoke in favor of not planting new grass for landscaping, allowing lawn repairs and adding to the resolution that large areas of grass be removed.

Commissioner Makras suggested that the General Manager prepare a program regarding the elimination of lawns over time, identify the economics of such a program, and prepare a recommendation regarding the reassignment of gardeners.

President Normandy suggested amending the resolution to indicate that the Commission was adopting a policy of minimum water usage on all landscaping programs controlled by the PUC. As suggested by Commissioner Otsea, a "whereas" clause was added stating the reasons for adopting the policy.

Moved by Commissioner Werbe, seconded by Commissioner Otsea, to adopt Item 9 as amended; passed (5-0) unanimously.

Resolution No. 97-0028: Directing the General Manager to develop and present to the Commission at the earliest possible time a comprehensive landscaping management program that conforms with the Best Management Practices adopted by the California Urban Water Conservation Council, and: a) reduces the amount of water used on landscaping currently in existence at PUC directly-owned facilities; b) eliminates lawn, grass or turf at said facilities; c) and ensures that no lawn, grass or turf be installed in the future at said facilities without specific approval of the Commission; and that the comprehensive landscaping program shall not apply to the Commission's leased properties.

10. Requesting the Public Utilities Commission to consider the Preliminary Feasibility Report on the Seismic Upgrade and Recreational Use of Sunset Reservoir - North Basin.

Robert T. Cockburn, Manager, Utilities Engineering Bureau, stated that the estimated cost for the seismic rehabilitation of the North Basin without recreational use was \$16 million. He said if it were to be braced for recreational use, the estimated costs ranged from \$48 million to \$61 million.

Commissioner Otsea commented that there were other reservoirs that could be used for recreational purposes without incurring this amount of money.

Commissioner Makras suggested that the General Manager send a letter to the Mayor advising him of the result of the feasibility study that there is a big difference in cost in the seismic rehabilitation of the reservoir and making it structurally adequate for recreational use. President Normandy stated that PUC does not have the money to fund the retrofitting of the reservoir for recreational use.

The Commission agreed not to adopt a resolution.



11. Public Hearing - To consider the Final Draft Report on the Feasibility Study of Electric System Municipalization in San Francisco and authorizing transmittal of the report to the Board of Supervisors.

Mr. Moran requested that the Commission continue Item 11 as staff did not have all the necessary information requested by the Commission. Mr. Klein explained that the comments from the American Public Power Association (APPA) came in late and the consultant was not able to prepare their response timely. Commissioners Makras, Werbe and Cook expressed disappointment for not receiving a response from the consultant regarding the comments made by Mr. Joel Ventresca and APPA.

Joel Ventresca, Chair of San Franciscans for Public Power, and a member of the Technical Review Committee for the Municipalization Study, requested that the Commission ask the consultant to make their working papers available for public review. He also asked that the Commissioner allow APPA to do a thorough examination of the report.

Moved by Commissioner Werbe, seconded by Commissioner Otsea, to continue Item 11 to the next meeting on February 11, 1997; passed (5-0) unanimously.

12. Authorizing the second modification to the agreement with Trihey & Associates.

Moved by Commissioner Otsea, seconded by Commissioner Werbe, to adopt Item 12, passed (5-0) unanimously.

Resolution No. 97-0029: Authorizing the General Manager of Public Utilities to execute the second modification to the agreement with Trihey & Associates, extending the term of the contract to March 31, 1998 and increasing contract funding by \$237,000 for a contract total not to exceed \$587,000.

13. Adopting a policy to provide metal halide lighting as an alternative to high pressure sodium lighting.

Dan Weaver, representing San Francisco Beautiful, and Mary Nennig, Member of Bernal Heights Improvement Committee and a member of the Pedestrian Lighting Task Force commented in support of the use of metal halide lighting.



Moved by Commissioner Otsea, seconded by Commissioner Makras, to adopt Item 13, passed (5-0) unanimously.

Resolution No. 97-0030: Adopting a policy that will provide metal halide lighting as an alternative to high pressure sodium lighting in certain circumstances.

14. Authorizing an agreement with Olivia Chen Consultants, Inc./Barbara Foster Associates, a Joint Venture, to provide professional emergency planning services

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 14, passed (5-0) unanimously.

Resolution No. 97-0031: Authorizing the General Manager of Public Utilities to negotiate and execute an agreement with Olivia Chen Consultants, Inc./Barbara Foster Associates, a Joint Venture, to provide professional emergency planning services for a contract amount not to exceed \$150,000 for a term not to exceed twelve months.

On recommendation by President Normandy, Items 15 and 16 were discussed together.

15. Approving the distribution of 2,000 ultra low flow toilets for installation in residential housing units in San Francisco.
16. Approving the distribution of 6,000 ultra low flow toilets to residential customers.

Commissioner Makras moved, seconded by Commissioner Cook, to adopt Items 15 and 16.

Commissioner Otsea expressed the opinion that rental residential units should not be eligible for this program. Commissioner Werbe stated that it should be limited to low income people and not made available to landlords who have capital to invest in low flow toilets.

Mr. Mullane responded that identifying who the low income people are would be difficult, administratively. Commissioner Makras suggested obtaining a list from the Housing and Urban Development (HUD) of individuals who have Section 8 housing benefits. Commissioner Cook suggested phasing in of the program and limiting the number of toilets allowed for owners of multi-family units.

President Normandy recommended approval of Item 15, as the distribution of these toilets were already directed toward nonprofit community organizations.

Commissioner Makras moved, seconded by Commissioner Cook to rescind the motion regarding Items 15 and 16.

Commissioner Makras moved, seconded by Commissioner Cook to adopt Item 15, passed (5-0) unanimously.

15. Resolution No. 97-0032: Approving the direct distribution of 2,000 ultra low flow toilets to nonprofit housing organizations for installation in residential housing units in San Francisco.

Moved by Commissioner Otsea, seconded by Commissioner Werbe, to adopt an amended resolution for Item 16, approving the distribution of low flow toilets to single family residential units, as defined by federal guidelines, being one to four units; passed (5-0) unanimously.

16. Resolution No. 97-0033: Approving the direct distribution of 6,000 ultra low flow toilets to San Francisco Water Department's residential customers in single family residential units as defined by federal guidelines being one to four units, at a cost of \$10 per toilet.

President Normandy took the agenda out of order so that the Commission could go into Closed Session at this time.

31. Public comments on matters to be discussed in Closed Session.

The following individuals commented regarding Item No. 34 - Conference with Legal Counsel regarding the Regional Water Quality Control Board Complaint No. 96-145.

Michael Alexander of the Golden Gate National Park Association commented that the Regional Water Quality Control Board was expected to impose a fine for the damage done to Lobos Creek by the sink hole disaster in December 1995. He stated that if a fine is assessed, the City could pay the fine to the State government or it could be used to fund water related projects near the damaged waterway. Mr. Alexander proposed that the City apply part of the fine to the restoration of Crissy Field.

Ms. Gemmill of the Sierra Club commented that the restoration of Crissy Field would bring back 20 acres of the original tidal marsh and San Francisco's natural heritage.

Ann Cochrane, Director of the San Francisco Conservation Corps, stated that the project they were proposing would allow their corps members to work with the National Park Service as well as children in the City to restore Crissy Field and to teach children environmental science.

Michael Boland, Chair, Sierra Club of Presidio Task Force, showed a map of Crissy Field and the marshland and described the project. He stated that the project would transform Crissy Field into a large addition of open space to the City, turn it into grass and recreational facilities, and create an environmental restoration including dune restoration and tidal marsh reconstruction. He said that instead of the City paying the fine, it could help fund a particular piece of the project which is the environmental education and stewardship program.

Mr. Alexander stated that the money from the City would kick off the fund raising needed for this project which totals \$16 million.

## CLOSED SESSION

The Public Utilities Commission met in Closed Session from 4:35 P.M. to 5:45 P.M. to discuss the following matters:

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Donatello Hotel Water Lien Dispute

Moved by Commissioner Makras, seconded by Commissioner Werbe, to approve a settlement for Item 32, passed (5-0) unanimously.

Resolution No. 97-0046: Authorizing release of Water Department's liens on Assessor's Block and Lot Numbers 0306-180 and 0306-173 in exchange for payment by the Club Donatello Owners Association of 16% of outstanding liens totaling \$10,504.54, pursuant to the terms of the escrow agreement between the City and the Club.

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

Item 33 was removed from the agenda.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Regional Water Quality Control Board  
Complaint No. 96-145.

Item 34 was removed from the agenda.

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. United States of  
America, et.al., Case No. C95-1752 VRW.

Item 35 was removed from the agenda.

36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

No action was taken.

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al.  
(Chevron).

No action was taken.

38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearing D-1630.

No action was taken.

The Commission reconvened in open session at 5:48 p.m.

39. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

40. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Otsea, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (5-0) unanimously.

The Commission resumed discussion of the regular agenda.

17. Authorizing a two-year trial period to open the Pulgas Temple to vehicular access during daylight hours on Sundays.

Mark Weinberger requested the Commission to consider allowing public access on Saturdays and Sundays and restoring flood lighting at the temple.

Moved by Commissioner Werbe, seconded by Commissioner Otsea, to continue Item 17 to a date uncertain, passed (5-0) unanimously.

18. Authorizing the General Manager of Public Utilities to execute an application and agreement with the Olympic Club to purchase water from the San Francisco Public Utilities Commission.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item 18.

Commissioner Werbe asked about the rate that will be charged to the Olympic Club. Mr. Moran responded that the W-25 rate will be used. Mr. Berliner stated that this rate is one of the established rates for the Water Department.

Steve Ritchie, Manager, Bureau of Systems Planning & Regulatory Compliance, noted that the Olympic Club would pay the Water Department for the amount of water equivalent to the water the Club extracts from the groundwater basin. Currently, the City puts water into Lake Merced. Requiring the Club to pay for this water ensures that they would not pump additional water from the groundwater basin.

Commissioner Otsea explained that this deal was negotiated by Joshua Milstein of the City Attorney's Office with the California Coastal Commission to make sure the aquifer would be replenished and the City would be reimbursed for replenishing Lake Merced. She said the Olympic Club agreed to use recycled water as it becomes available but meanwhile they would pay the City for the amount of water drawn from the aquifer.

Romaine Boldridge, Commission Secretary, noted that Schedule W-25 is for resale users with long term contract. This is the rate for water service to municipalities, water districts and others who under long term contract, purchase water for resale in whole or in part.

Commissioner Werbe recommended holding up the Club's permit until the recycled water is in place and not allowing the Club to take more water.

Commissioner Makras stated that he was against the motion to approve the item because Schedule W-25 was the wrong category to apply to the Club. Schedule W-25 applies to long term contract users and resale customers, and the Olympic Club was not reselling the water nor were they going to be a long term user. He said he would be willing to sell water to the Club if it were the right charge.

Commissioner Werbe noted that the Commission should discuss the price that it would charge for recycled water. He stated that it was unfair that the Olympic Club would not pay sewer charges.



Commissioner Otsea suggested that staff give a broader presentation to the Commission regarding this matter at the next meeting.

As recommended by President Normandy, Commissioner Otsea moved, seconded by Commissioner Cook, to rescind the motion to adopt Item 18; and continue it to the next regular meeting of the Commission; passed (5-0) unanimously.

19. Authorizing issuance of a Request for Proposal (RFP) to provide engineering services for the Sunol Valley Water Treatment Plant Improvements .

Moved by Commissioner Otsea, seconded by Commissioner Werbe, to adopt Item 19, passed (5-0) unanimously.

Resolution No. 97-0034: Authorizing the Manager of the Bureau of System Planning & Regulatory Compliance to distribute a Request for Proposal (RFP) to consultants to provide engineering services for the improvements needed at the Sunol Valley Water Treatment Plant.

On recommendation by President Normandy, Commissioner Makras moved, seconded by Commissioner Otsea, to adopt Items numbered 20, 21, 22, 23, 24, 25, 26, and 27 as consent items; passed (5-0) unanimously.

20. Resolution No. 97-0035: Approving the final plans and specifications for San Francisco Water Department Contract WD-2204, 8-Inch Ductile Iron Main Installation in Fifteenth Street between Dolores and Folsom Streets; and authorizing advertisement for bids.
21. Resolution No. 97-0036: Approving the award of the Department of Public Works Contract No. 1219N, Buchanan/Steiner Streets Sewer Replacement, in the amount of \$296,565 to the lowest responsive bidder, Shaw Pipeline, Inc.
22. Resolution No. 97-0037: Approving the award of the Department of Public Works Contract No. 1256N, 21st/22nd/23rd Streets Sewer Replacement, in the amount of \$283,000 to the lowest responsive bidder, K. J. Woods Construction, Inc.

23. Resolution No. 97-0038: Approving the award of the Department of Public Works Contract No. 1361N, Patterson Street Sewer Construction, in the amount of \$98,113 to the lowest responsive bidder, Trinet Construction, Inc.
24. Resolution No. 97-0039: Approving the award of the Department of Public Works Contract No. 1252N, Shotwell Street Sewer Replacement, in the amount of \$255,270 to the lowest responsive bidder, Harty Pipelines, Inc.
25. Resolution No. 97-0040: Approving the award of the Department of Public Works Contract No. 1364N, Concord Street Sewer Replacement, in the amount of \$467,617 to the lowest responsive bidder, Harty Pipelines, Inc.
26. Resolution No. 97-0041: Approving the final plans and specifications for the Bureau of Engineering Contract 1372N, Beach Street Sewer Replacement, and authorizing advertisement for bids.
27. Resolution No. 97-0041: Approving the final plans and specifications for the Bureau of Engineering Contract 1376N, Jackson Street Sewer Replacement, and authorizing advertisement for bids.

On recommendation by President Normandy, Commissioner Werbe moved, seconded by Commissioner Makras to adopt Items 28, 29, and 30 as consent items; passed (5-0) unanimously.

28. Resolution No. 97-0043: Authorizing the General Manager of Public Utilities to execute a Utility Agreement with the City of Daly City and Caltrans to allow for the relocation of San Francisco Water Department's 54" and 30" water pipelines which cross State Route SM-280, as required by the City of Daly City's Eastmoor Avenue Off Ramp Extension and Utility Relocation Project.

29. Resolution No. 97-0044: Authorizing the General Manager of Public Utilities to execute an interim month-to-month lease with Cisco Systems, Inc. for approximately 4.41 acres of Public Utilities Commission land located on a portion of Parcel 122 of Bay Division Pipeline Nos. 3 and 4 right of way in San Jose, California for a parking lot, utilities, landscaping purposes and ingress and egress to and from adjacent buildings and driveways, at an initial rental rate of \$7,488 per month.
30. Resolution No. 97-0045: Authorizing the General Manager of Public Utilities to execute a month-to-month lease to Artichoke Joe's Casino for use of Public Utilities Commission land located adjacent to Huntington Avenue extending from San Mateo Avenue to Sylvan Avenue in San Bruno, California for automobile parking, at a rental rate of \$12,500 per month.

Thereupon, the meeting was adjourned: 6:18 P.M.

Romaine A. Boldridge  
Secretary



**AGENDA**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

Willie L. Brown, Jr.  
MAYOR

**REGULAR MEETING**

February 11, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

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**COMMISSIONERS**

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

**DEPARTMENTS**

Water Department  
Hetch Hetchy  
Clean Water Program

**BUREAUS**

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

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Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.



## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a) Presentation No. 2 Regarding Electric Power Deregulation. (Klein)
  - b) Status of Water Supply (Klein)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

9. Public Hearing - To consider adoption of budget proposals for FY 1997-98 Budget for the departments and bureaus under the jurisdiction of the Public Utilities Commission; and to adopt the Department's Mission Statements as recommended by the General Manager of Public Utilities. (Moran)
10. To hear a report from staff on potential water quality impacts from grazing and equestrian use of the watershed; to consider revisions to PUC policy regarding such use; and to consider action regarding leases and permits, controlling such use. (Moran)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

11. Public Hearing - To consider the Final Draft Report on the Feasibility Study of Electric System Municipalization in San Francisco and authorizing transmittal of the report to the Board of Supervisors. (Continued from the meeting of January 28, 1997.) (Klein)
12. Authorizing advertisement for bids for Hetch Hetchy Water and Power Contract WP-09R, Waterproof and Coat Moccasin Intake and Outlet Towers. (Klein)
13. Authorizing the Bureau of Energy Conservation to apply for, accept and expend \$25,000 of grant funds from the American Public Power Association (APPA) to support the City's private sector energy management activities. (Klein)

## **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

14. Setting date, time and place for a hearing to consider revisions to the Preferred Alternative and scope of work for the environmental Impact Report currently under way for the Watershed Master Plan. (Davis)

## **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

15. Authorizing the Utilities Engineering Bureau to execute Amendment No. 4 to the agreement with Westin Engineering Inc. to provide engineering services for the Supervisory Control and Data Acquisition Project, increasing the funding amount by \$910,114. (Cockburn)
16. Awarding San Francisco Water Department Contract WD-2196, Harry W. Tracy Water Treatment Plant, Standby Air Backwash Blower System in the amount of \$214,300 to Schram Construction, Inc. (Cockburn)
17. Rejecting the bids submitted for Specification No. 1171N, Channel Pump Station Variable Speed Control Improvements Project; authorizing the Utilities Engineering Bureau to prepare and advertise a pre-purchase specification, issue a Request for Proposal to prequalify contractors, modify plans and specifications and advertise for bids. (Cockburn)
18. Awarding Contract Specification No. 1356N, Third Avenue Sewer Replacement, in the amount of \$123,205 to the lowest responsive bidder, Alpine Construction, Inc. (Cockburn)
19. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids. (Cockburn)

## UTILITIES ENGINEERING BUREAU (Continued)

20. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
21. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
22. Ratifying the Declaration of Emergency signed by the President of Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of \$165,000 for emergency work to replace the structurally inadequate sewer on 27th Street between Church and Sanchez Streets. (Cockburn)

## BUREAU OF COMMERCIAL LAND MANAGEMENT

**Garrett M. Dowd, Manager**

23. To state intention of the Public Utilities Commission and directing staff to pursue options for development of property owned by the State of California, located at 525 Golden Gate Avenue, for use as office building for the Public Utilities Commission and other City departments. (Dowd)
24. Authorizing the General Manager of Public Utilities to execute a 40-year lease with Cisco Systems, Inc. for approximately 4.41 acres of Public Utilities Commission land, located on a portion of Parcel 122 of Bay Division Pipeline Nos. 3 and 4 right of way, in San Jose, California for parking lot, utilities, landscaping purposes and ingress and egress to and from adjacent buildings and driveways at a monthly rental rate of \$7,488. (Dowd)
25. Authorizing the General Manager of Public Utilities to execute a year-to-year lease with Air Products Manufacturing Corporation for approximately 100 sq. ft. of Public Utilities Commission land located on a portion of Parcel 120 of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California, for maintaining, repair and replacing an 8-inch nitrogen pipeline at an annual rental rate of \$960.00. (Dowd)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

26. To receive a report on the management of the Westside Groundwater Basin and Lake Merced. (Ritchie)
27. Authorizing the General Manager of Public Utilities to execute an application and agreement with the Olympic Club to purchase water from the San Francisco Public Utilities Commission at a cost equal to the W-25 rate . (Continued from the meeting of January 28, 1997.) (Ritchie)
28. Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to advertise and circulate a Request for Proposal (RFP) for professional services associated with the development of the Groundwater Master Plan Phase 2. (Ritchie)

### **CLOSED SESSION**

29. Public Comments on matters to be discussed in Closed Session.
30. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

**THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:**

31. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County  
Parties Negotiating: CCSF: Dowd/Milstein/Stewart  
Lessec: Mission Valley Rock  
Under Negotiation: Terms

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Buchbinder/Lee)

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Cockburn/Simpson)

Existing Litigation: Robinson Construction Co. v. City and County of San Francisco,  
Santa Clara County Superior Court No. CV-760245.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Berliner)

Anticipated Litigation: As Defendant

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Berliner)

Anticipated Litigation: As Plaintiff

36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

37. Announcement following Closed Session.

38. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

February 11, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

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### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:13 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Marion E. Otsea, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

3. Approval of Minutes

Commissioner Makras requested that one of the minutes of the Budget Committee meetings be revised to reflect the views expressed by the Commission regarding the lawn issue. President Normandy directed staff to present these changes at the next regular meeting.

On motion by Commissioner Otsea, seconded by Commissioner Werbe, the Commission approved the Minutes of the Regular Meeting of January 14, 1997, the Minutes of the Special Meeting of January 21, 1997, the Minutes of the Budget Committee Meetings of January 16, 1997, January 21, 1997 and January 23, 1997; passed (5-0) by unanimous vote.

4. Communications

President Normandy directed staff to include in the list of communications the letter from the California Farm Bureau Federation opposing the elimination of livestock grazing in the watershed.

5. Introduction of Old/Ongoing Business by Commissioners

High Bill Notification

Commissioner Makras commended John Mullane, Manager, Customer Services Bureau, for the detailed and quick response to the Commission's direction to implement a system of notifying customers with high bills.

Grass Lawns

The Commission Secretary submitted for Commission review, a draft resolution reflecting the action of the Commission on the lawn issue at the January 28, 1997 meeting. Mr. Lawrence T. Klein, Acting PUC General Manager, requested that the Commission clarify the wording of the resolution.

Commissioner Makras suggested that the resolve clause direct the General Manager to present a program to the Commission on reducing turf, and having other types of covering that take into account the department's water conservation policy and what PUC stands for. The presentation should define how the program can be implemented, the time frame, and costs associated with the implementation.

Commissioner Werbe commented that he would like the wording in the resolution to be more specific in that the Commission wants to reduce lawn and grass in all PUC facilities.

Commissioner Otsea suggested adding in the first resolve clause that the Commission wishes to adopt a policy in keeping with the Best Management Practices of the California Urban Water Conservation Council.

Commissioner Makras indicated that Commissioner Werbe was looking for the elimination of grass in all properties. He suggested that if staff wants to keep turf on any specific piece of land the General Manager should return to the Commission and justify why he believes a particular turf should not be removed. Commissioner Werbe concurred with the suggestion.

President Normandy read a workable resolution that reflects the intents of the Commission as follows: "Whereas, This Commission wishes to adopt a policy of minimum water usage on all landscaping programs directly controlled by the Public Utilities Commission. Be it resolved, that this Commission directs the General Manager of Public Utilities to develop a comprehensive program that ensures elimination of turf and that no additional lawn grass, or turfs are installed at any of the Commission's directly owned facilities without specific approval of the Commission and that this program be in keeping with the Best Management Practices of the California Urban Water Conservation Council."

Commissioner Makras suggested keeping the last resolve clause that the policy will not cover leased properties of the Public Utilities Commission.

Moved by Commissioner Werbe seconded by Commissioner Makras to clarify the wording of Resolution No. 97-0028; passed (5-0) unanimously.

#### Resolution No. 97-0028

"WHEREAS, This Commission wishes to adopt a policy of minimum water usage on all landscaping programs controlled by the Public Utilities Commission; now, therefore, be it

RESOLVED, That this Commission directs the General Manager to develop and present to the Commission at the earliest possible time a comprehensive

landscaping management program that conforms with the Best Management Practices adopted by the California Urban Water Conservation Council, and:

- a) reduces the amount of water used on landscaping currently in existence at PUC directly-owned facilities,
- b) eliminates lawn, grass or turf at said facilities,
- c) and ensures that no lawn, grass or turf be installed in the future at said facilities without specific approval of the Commission; and be it

FURTHER RESOLVED, That the San Francisco Public Utilities Commission comprehensive landscaping management program shall not apply to the Commission's leased properties."

#### Other Old/Ongoing Business

Commissioner Otsea directed that staff add the Management Audit to the List of Old/Ongoing Business.

#### 6. Introduction of New Business by Commissioners

Commissioner Makras referred to the memorandum from the City Attorney advising the Commission to tape record all regular and executive sessions of the Commission and to retain the tapes for 30 days in accordance with the Brown Act. Commissioner Makras suggested that the Commission explore the possibility of retaining the tapes of the executive sessions beyond 30 days due to the highly sensitive nature of those meetings. Commissioner Cook suggested preparing a policy for expunging the records.

President Normandy directed staff to return to the Commission at the earliest possible time with a recommended procedure of retaining the tapes of all executive sessions beyond the minimum 30-day period required by the Brown Act that conforms to existing procedures of retaining and expunging of meeting records.

Commissioner Makras directed the Commission Secretary to tape record today's executive session.

7. Report of the General Manager

Mr. Anson B. Moran, General Manager of Public Utilities, was absent due to attending an American Water Works Association Seminar. Mr. Lawrence T. Klein, Acting General Manager, presented the General Manager's Report.

a) Presentation No. 2 Regarding Electric Power Deregulation.

Mr. Klein gave a presentation regarding electric power deregulation using electronic media. He discussed Hetch Hetchy's current operations, its obligations under the Raker Act and contracts with PG&E and the Modesto and Turlock Irrigation Districts. Mr. Klein showed a map of Hetch Hetchy's power distribution system.

b) Status of the Water Supply

Mr. Klein reported that on February 6, 1997, the Hetch Hetchy system was reconnected to the San Francisco water system. The system is currently providing 86 million gallons a day to the City. He said the turbidity level at Moccasin was down below two turbidity units before they turned it on.

As requested by Commissioner Otsea, Mr. Klein reported on the San Joaquin pipeline having been infiltrated with river water and what staff had done concerning the problem. Mr. Klein reported that staff is currently trying to draw down the reservoirs because of the projected inflows from April through July. Staff will not be releasing water through the reservoirs so as not to add to downstream problems.

8. Public Comments

There were none.

9. Public Hearing - To consider adoption of budget proposals for FY 1997-98 Budget for the departments and bureaus of the Public Utilities Commission.

President Normandy expressed thanks to Commissioner Makras for chairing the Budget Committee and the rest of the Commission for sitting on the Committee.

Commissioner Makras commended the General Manager, the department heads and staff for a job well done in making their budget presentations and the candid discussion that took place between the Commission and staff.



Steven Carmichael, Director, Bureau of Finance, reported that the total PUC budget for FY 1997-98 was \$396,650,547. Mr. Carmichael noted that the budget did not reflect salary standardization costs and the cost of merging the Clean Water Enterprise into PUC. Mr. Carmichael reported that projected revenues for 1997-98 budget were as follows: Hetch Hetchy - \$96,480,000; Water - \$136,584,541; and Clean Water Program - \$143,884,314. The proposed expenditures were Hetch Hetchy - \$100,227,136; Water - \$142,265,923; and Clean Water - \$154,107,488.

Mr. Klein reported that the U. S. President's budget included an increase in the Hetch Hetchy fee of \$600,000 in accordance with the current Federal Energy Regulatory Commission (FERC) formula. The fee was included in the current year's budget and will be carried over to the FY 97-98 budget.

Mr. Klein asked for direction from the Commission concerning the funding of capital projects for the three enterprises. He noted that capital projects were currently accounted for at the project level. President Normandy directed staff to continue with project funding as structured today.

President Normandy asked about the completion of the Clean Water Enterprise merger and its ramifications to the budget. Mr. Carmichael stated that staff expected to have the figures no later than the next month. Staff will report to the Commission any changes that may be made to the budget as a result of the merger.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 9, passed (5-0) unanimously.

Resolution No. 97-0047: Adopting the budget proposals for FY 1997-98 Budget for the departments and bureaus under the jurisdiction of the Public Utilities Commission; and to adopt the Department's Mission Statements as recommended by the General Manager of Public Utilities.

10. To hear a report from staff on potential water quality impacts from grazing and equestrian use of the watershed; to consider revisions to PUC policy regarding such use; and to consider action regarding leases and permits, controlling such use.

#### Water Quality

Andrew De Graca, Manager, Water Quality Division, reported that in terms of pathogens control, the department takes a multi barrier approach: watershed control; and treatment and distribution system controls. Treatment and distribution control is done through disinfection, ozonation and filtration. In terms of watershed control, he stated that preventing the source of contamination from going into the reservoir was cheaper than treating the water supply. Mr. De Graca noted that the City's water supply had very low levels of cryptosporidium and giardia.

Mr. De Graca noted that it would be a good step to minimize cattle grazing and horses in the watershed.

### Alternatives to Grazing

Ed Stewart, Watershed Manager, stated that removal of cattle in the watershed would change the vegetation in the watershed, change the wildlife population, and increase the elk and feral pig population. It would also require changes on the City's part in terms of vegetation management, watershed practices, watershed plans, leases and permits, budget and staffing. Mr. Stewart noted that removing cattle grazing could benefit water resources as it could increase soil percolation, extend the runoff period, reduce surface runoff and possibly increase water yields.

To reduce fire hazards and protect the watershed from other detrimental activities, Mr. Stewart suggested managing the vegetation with the proper type of grasses and establishing perennial grass in the watershed. He said that there would be various costs associated with establishing new vegetation and the department should start budgeting for it in the next budget year.

Mr. Stewart talked about the costs associated with controlling the increase in feral pigs and elk population with the removal of cattle grazing.

### Leases and Permits

Gary M. Dowd, Manager, Bureau of Commercial Land Management, distributed to the Commission a list of all current grazing leases and permits, a total of 13 active leases and 15 permits. The list also included the names of employees in watershed cottages and the number of domestic animals they keep.

Mr. Dowd indicated that the leases and permits bring in \$300,000 a year. He noted that if the Commission chooses to eliminate grazing, staff would have to send 30-day notice to do so. Mr. Dowd stated that they may have to go through the unlawful detainer process in the event that the lessees do not cooperate. This process will take longer from 3 to 4 months. Commissioner Otsea suggested indicating the positions held by those employees listed.

Commissioner Werbe indicated that he liked the idea of California native grasses as they were drought resistant. -

## Public Comments

Sheila Barry, Alameda County Resource Conservation District, urged the Commission's cooperation in the development of the Southern Alameda Creek Watershed project. She commented that reintroducing perennial grasses in the landscape would require heavy use of herbicides.

Jim Coelho, a cattle grazer, requested that the Commission delay action on eliminating grazing until the Alameda County Watershed project is completed. He commented that removing cattle from the watershed would create severe economic impact on cattlemen.

George Gough, Director of Governmental Operations, California Cattlemen's Association, urged that the Commission base their decision on scientific facts.

Darrel Sweet, a Director for the Alameda County Resource Conservation District, commented that elimination of grazing was not a desirable alternative. He requested the Commission's cooperation in the development of the Alameda County Watershed Project.

Terry Hoff, District Conservationist with the Alameda County Natural Resource Conservation Service, commented that their agency recognized the concern about cryptosporidium. He stated that their group had been working with the San Francisco Water Department, lessees and other land owners in the upper watershed. He said they wanted to give more time to the University of California-Davis and other researchers to determine the exact causes and potential contamination from cryptosporidium from cattle and other wildlife before they could decide the most effective way of dealing with cryptosporidium.

President Normandy commented that cryptosporidium had been a major issue in San Francisco due to the large number of immune compromised population in the City. He pointed out that the Commission is trying to obtain more scientific facts regarding cryptosporidium. He said that the Commission intends to work with everyone involved and would welcome everyone's input in the process.

Steve Leonard, Hetch Hetchy Water Improvement Program Manager, commented that the department should take whatever steps are necessary to reduce cryptosporidium and one of those steps is removing cattle. Mr. Leonard suggested that the Commission may want to impose a moratorium on cattle until there is something more effective in place in the area of water treatment.

Commissioner Makras commended staff for presenting the pros and cons of eliminating grazing in watersheds. He encouraged the Commission to make the decision today to eliminate grazing. Commissioner Werbe concurred.

President Normandy stated that the intent was to tie the grazing issue with the entire watershed management plan which is scheduled to be heard by the Commission on March 4, 1996. He pointed out that there were complex issues that needed to be addressed such as increased fire hazard, vegetation management, and encroachment of other wild animals before the Commission could take action. He said he wanted to afford staff the next two weeks to obtain information on those issues so that the Commission could make a decision based on facts.

Commissioner Makras asserted that the Commission has authority to act today on the removal of grazing since it was calendared for action today. Mr. Joshua Milstein, Deputy City Attorney, recommended continuing the matter as an action item for the next meeting as the format of the agenda did not permit the Commission to act today. Commissioner Makras requested the Commission Secretary to transcribe the comments he made regarding this issue from the previous meeting to point out that he clearly stated he wanted the removal of grazing at the earliest possible time.

Commissioner Otsea suggested including the issue of horse stables on the watershed in the proposed action.

Based on the advice given by legal counsel, President Normandy ruled that this was not an action item. He directed staff to calendar an agenda item at the next meeting which will authorize the General Manager of Public Utilities to terminate cattle grazing leases and permits.

11. Public Hearing - To consider the Final Draft Report on the Feasibility Study of Electric System Municipalization in San Francisco. (Continued from the meeting of January 28, 1997.)

Joel Ventresca, Chair of San Franciscans for Public Power, urged the Commission to reject ETAG's report.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item 11, passed (5-0) unanimously.

Resolution No. 97-0048: Authorizing the transmittal of the Final Report on the Feasibility of Electric System Municipalization in San Francisco to the Board of Supervisors.

12. Authorizing advertisement for bids for Hetch Hetchy Water and Power Contract WP-09R.

Commissioner Makras commented that this contract was a clear example of a successful effort to set a higher MBE/WBE goal.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item 12, passed (5-0) unanimously.

Resolution No. 97-0049: Authorizing advertisement for bids for Hetch Hetchy Water and Power Contract WP-09R, Waterproof and Coat Moccasin Intake and Outlet Towers.

13. Authorizing the Bureau of Energy Conservation to apply for, accept and expend grant funds from the American Public Power Association.

Moved by Commissioner Makras, seconded by Commissioner Otsea, to adopt Item 13, passed (5-0) unanimously.

Resolution No. 97-0050: Authorizing the Bureau of Energy Conservation to apply for, accept and expend \$25,000 of grant funds from the American Public Power Association (APPA) to support the City's private sector energy management activities.

14. Setting date, time and place for a hearing to consider revisions to the Preferred Alternative and scope of work for the environmental Impact Report currently under way for the Watershed Master Plan.

As recommended by Commissioner Makras, President Normandy directed staff to include in the discussion the expansion of additional golf courses, driving ranges and other golf course related activities on the watersheds.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 14, passed (5-0) unanimously.

Resolution No. 97-0051: Setting March 4, 1997 at 1:00 p.m. at 1155 Market Street, 4th Floor Conference Room, as the date, time and place to conduct a hearing to consider revisions to the Preferred Alternative and scope of work for the Environmental Impact Report currently under way for the Watershed Management Plan.



On recommendation of President Normandy, Commissioner Werbe moved, seconded by Commissioner Otsea to adopt Item Numbers 15, 16, 17, and 18 on consent; passed (5-0) unanimously.

15. Resolution No. 97-0052: Authorizing the Utilities Engineering Bureau to execute Amendment No. 4 to the agreement with Westin Engineering Inc. to provide engineering services for the Supervisory Control and Data Acquisition Project, increasing the funding amount by \$910,114.
16. Resolution No. 97-0053: Awarding San Francisco Water Department Contract WD-2196, Harry W. Tracy Water Treatment Plant, Standby Air Backwash Blower System in the amount of \$214,300 to Schram Construction, Inc.
17. Resolution No. 97-0054: Rejecting the bids submitted for Specification No. 1171N, Channel Pump Station Variable Speed Control Improvements Project; authorizing the Utilities Engineering Bureau to prepare and advertise a pre-purchase specification, issue a Request for Proposal to prequalify contractors, modify plans and specifications and advertise for bids.
18. Resolution No. 97-0055: Awarding Contract Specification No. 1356N, Third Avenue Sewer Replacement, in the amount of \$123,205 to the lowest responsive bidder, Alpine Construction, Inc.

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Items 19, 20 and 21 were called for discussion collectively.

19. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids.
20. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids.
21. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids.

Commissioners Makras and Otsea inquired about the 7.5% MBE and 1.0% WBE goals for the above contracts. Regarding Item 21, Commissioner Makras commented that to set a



goal of \$800 for WBE is insulting when the Commission is trying to promote more WBE participation in our contracts. Bayard Fong of the Human Rights Commission requested that these items be continued to allow his office to review this further.

On motion of Commissioner Werbe, seconded by Commissioner Otsea, Item Numbers 19, 20, and 21 were continued to the next meeting; passed (5-0) unanimously.

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- 22. Ratifying the Declaration of Emergency signed by the President of Public Utilities Commission to replace a structurally inadequate sewer on 27th Street between Church and Sanchez Streets.

Moved by Commissioner Werbe, seconded by Commissioner Otsea, to adopt Item 22, passed (5-0) unanimously.

Resolution No. 97-0056: Ratifying the Declaration of Emergency signed by the President of Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of \$165,000 for emergency work to replace the structurally inadequate sewer on 27th Street between Church and Sanchez Streets.

On recommendation of President Normandy, Commissioner Makras moved, seconded by Commissioner Werbe, to adopt Item Numbers 23, 24 and 25 on consent; passed (5-0) unanimously.

- 23. Resolution No. 97-0057: Stating the intention of the Public Utilities Commission and directing staff to pursue options for development of property owned by the State of California, located at 525 Golden Gate Avenue, for use as office building for the Public Utilities Commission and other City departments.
- 24. Resolution No. 97-0058: Authorizing the General Manager of Public Utilities to execute a 40-year lease with Cisco Systems, Inc. for approximately 4.41 acres of Public Utilities Commission land, located on a portion of Parcel 122 of Bay Division Pipeline Nos. 3 and 4 right of way, in San Jose, California for parking lot, utilities, landscaping purposes and ingress and egress to and from adjacent buildings and driveways at a monthly rental rate of \$7,488.

25. Resolution No. 97-0059: Authorizing the General Manager of Public Utilities to execute a year-to-year lease with Air Products Manufacturing Corporation for approximately 100 sq. ft. of Public Utilities Commission land located on a portion of Parcel 120 of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California, for maintaining, repair and replacing an 8-inch nitrogen pipeline at an annual rental rate of \$960.00.

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26. To receive a report on the management of the Westside Groundwater Basin and Lake Merced.

Steve Ritchie, Manager, Bureau of System Planning & Regulatory Compliance, gave a presentation using electronic media. Mr. Ritchie discussed the different activities that were under way to manage the groundwater basin: developing a cooperative groundwater management plan with the City of Daly City, the City of San Bruno and the California Water Service Company to look at managing the full basin; developing a water contract with the City of Daly City in lieu of groundwater use; negotiating between golf course owners to use recycled water; developing the Lake Merced Project Plan; and the Olympic Club water purchase contract to put recharge water into Lake Merced.

Mr. Ritchie also discussed the components of the groundwater master plan: to prevent sea water intrusion, protect areas of production wells, monitor groundwater levels, develop recycled water resources, and facilitate conjunctive use.

No action was taken.

27. Authorizing the General Manager of Public Utilities to execute an application and agreement with the Olympic Club to purchase water from the San Francisco Public Utilities Commission at a cost equal to the W-25 rate . (Continued from the meeting of January 28, 1997.)

Mr. Ritchie briefly provided a background of the above subject. The issue stemmed from the Olympic Club proposing expansion of its golf course by six holes in the coastal zone. Because the PUC does not have direct authority, staff requested the Coastal Commission, who has authority to issue permits for expansion within the coastal zone, to grant a permit to the Olympic Club on the conditions that they will sign a contract with the City of Daly City for recycled water and that they will purchase water from PUC to be placed in Lake Merced equal to the amount of water

they use to irrigate the golf course until the recycled water is in place. As part of the negotiation process, it was proposed that the Olympic Club would purchase water at a cost equal to the Water Departments W-25 water rate for wholesale customers.

Mr. Joshua D. Milstein, Utilities General Counsel, stated that the W-25 rate was an appropriate benchmark as it reflects the City's cost of water on a wholesale basis and it also includes a rate of return.

Commissioner Werbe expressed his opposition to the idea of allowing the Club to build six new holes and use 50 acre feet more water than the amount being used now. He added that the club was also endangering the lake.

Commissioner Otsea responded that the City had no authority to stop the Club from building those holes and because there were no rules for groundwater pumping, the Club was entitled to pump from the aquifer. She mentioned that she attended a meeting with Supervisor Barbara Kaufman and the City Attorney regarding this matter. That meeting resulted in this short term measure which Counsel negotiated with the Coastal Commission. She said it was a special courtesy to us by the Coastal Commission to include these conditions.

Mr. Ritchie commented that having the Olympic Club pay for the water is important and having them operate under a condition to sign a contract with the City of Daly City for recycled water is a key component.

Commissioner Otsea moved, seconded by Commissioner Cook to adopt Item 27.

Commissioner Makras said he was voting against the resolution based on the reasoning that the Commission has an obligation to set water rates annually and therefore should not give preferential treatment to anyone.

Commissioner Otsea stated that if the Commission turns this down, the Olympic Club will just go ahead and use groundwater to irrigate their golf course.

Robert Maddow, representing the Olympic Club, commented that this was an effort to deal with a temporary condition until the tertiary water transaction with the City of Daly City could be completed. He said he believed that the manner in which the pricing is established is appropriate and legal and the Olympic Club is willing to go forward with it.

President Normandy asked staff about the ramifications of a negative vote by the Commission. Mr. Milstein that if it were the will of the Commission, he would try to get more money from the Olympic Club. Mr. Ritchie noted that the Olympic Club would probably request reissuance of the permit from the Coastal Commission and waive the conditions. He said it is not a desirable course of action as it would mean that the Club will not compensate the City for the water they pump from the aquifer

and the condition to use recycled water would also be removed. Mr. Milstein noted that the City would also continue to add water to Lake Merced and would not be compensated for doing so.

Commissioner Werbe stated that he was not trying to extract more money from the Olympic Club but he was looking to save the aquifer and to conserve water. He said he would like staff to negotiate harder with the Coastal Commission. He expressed his opinion that if the Club wants to build additional holes they should wait until the recycled water system is in place.

Commissioner Makras noted that he was concerned about the issue of rate setting and fairness to all other customers. He asked that staff discuss the differences in various rates and how many customers are under each rate.

Commissioner Cook withdrew his second. The motion died for lack of a second. Commissioner Cook stated that he withdrew his second to explore those issues brought up by Commissioner Makras.

Mr. Milstein suggested having the Water Department's Rate Administrator give a presentation to the Commission at the next meeting to present what is involved in rate setting and how much can be charged to the Olympic Club for recharged water.

Commissioner Werbe emphasized that he would not want to sell, give, trade or use our water to create extra holes for the Olympic Club. He reiterated that staff should contact the Coastal Commission and advise them that the City prefers the Club to wait until the recycled water is in place.

Commissioner Makras suggested setting a new policy that will establish a rate for this type of situation and incorporate that within the rate hearing in March or April this year.

President Normandy directed staff: 1) to give a rationale for the scale of charges; and 2) to provide input from the Coastal Commission, the Olympic Club, and other parties to this agreement concerning the ramifications with regard to the change in particular charge for recharged water.

President Normandy moved to continue the item to March 11, 1997, seconded by Commissioner Cook; passed (4-1). Commissioner Otsea voted no.

28. Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to advertise and circulate a Request for Proposal (RFP) for professional services associated with the development of the Groundwater Master Plan Phase 2.

Moved by Commissioner Otsea, seconded by Commissioner Cook, to adopt Item 28, passed (5-0) unanimously.

Resolution No. 97-0060: Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to advertise and circulate a Request for Proposal (RFP) for professional services associated with the development of the Groundwater Master Plan Phase 2.

## CLOSED SESSION

29. Public Comments on matters to be discussed in Closed Session.

There were none.

30. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

The meeting recessed from 4:40 P.M. to 4:55 P.M.

The Public Utilities Commission met in Closed Session from 4:55 P.M. to 5:50 P.M. to discuss the following matters:

31. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County  
Parties Negotiating: CCSF: Dowd/Milstein/Stewart  
Lessee: Mission Valley Rock  
Under Negotiation: Terms

No action was taken.



32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

Item 32 was removed from the agenda.

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Robinson Construction Co. v. City and County of San  
Francisco, Santa Clara County Superior Court No. CV-760245.

Moved by Commissioner Otsea, seconded by Commissioner Werbe, to approve a settlement for Item 33, passed (5-0) unanimously.

Resolution No. 97-0061: Approving the settlement of Robinson Construction Co. v. City and County of San Francisco litigation with the City paying \$996,747.69; and further authorizing the PUC General Manager to submit this settlement to the Board of Supervisors for final approval.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

Item 34 was continued to February 25, 1997.

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff

Item 35 was continued to February 25, 1997.



36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al.  
(Chevron).

Item 36 was continued to February 25, 1997.

The Public Utilities Commission reconvened in public session at 5:51 P.M.

37. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

38. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Werbe, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (5-0) unanimously.

Thereupon, the meeting was adjourned: 5:55 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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### REGULAR MEETING

FEB 21 1997

February 25, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

SAN FRANCISCO  
PUBLIC LIBRARY

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Report on American Water Works Association Conference. (Moran)
  - b. Presentation No. 3 - Regarding Electric Power Deregulation. (Klein)
  - c. Presentation on Current Water Rates. (Laws)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

9. Directing staff to initiate actions to terminate all use by livestock of PUC owned watershed land as quickly as is legally permissible under the terms of the leases, permits or other agreements under which such use is taking place. (Moran)

### **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

10. Authorizing the General Manager of Public Utilities to open the Sunol Water Temple to general public access during all regular business days beginning on April 1, 1997 and to temporarily close the temple as deemed necessary during construction and restoration. (Davis)
11. Authorizing a two-year trial period to open the Pulgas Temple to vehicular access during daylight hours on Sundays; directing staff to report to the Commission any findings associated with the pilot test and to include recommendations for use of the temple as combined public use/public education area in the Peninsula Watershed Policy and Management Plan. (Continued from the meeting of January 28, 1997.) (Davis)



## **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

12. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of February 11, 1997.) (Cockburn)
13. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of February 11, 1997.) (Cockburn)
14. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of February 11, 1997.) (Cockburn)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

15. Authorizing the General Manager of Public Utilities to enter into a Cooperative Agreement with the Bay Area Dischargers Association for participation in Step 2 of the Central California Regional Water Recycling Project with \$150,000 for first year funding of the project. (Ritchie)
16. Authorizing the General Manager of Public Utilities to enter into a Memorandum of Understanding with the Bay Area Water Users Association (BAWUA) for the joint sponsorship of the Water Supply Master Plan. (Ritchie)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

17. Authorizing the General Manager of Public Utilities to execute a permit with Pacific Gas and Electric Company, for installing two 6-inch diameter underground electrical conduits on a portion of Parcel 111-C of Bay Division Pipeline Nos. 3 and 4 right-of-way located in Milpitas, Santa Clara County. (Dowd)
18. Authorizing the General Manager of Public Utilities to execute a permit with Kaiser Aluminum & Chemical Corporation for soil sampling in the vicinity of the cow pond for investigation of polychlorinated biphenyl (PCB) concentration on a portion of Parcel 69 of Pleasanton lands in Alameda County. (Dowd)
19. Authorizing the General Manager of Public Utilities to execute a lease with Smart SMR of California, Inc., for approximately 1,555 square feet of land under the jurisdiction of the Water Department located at 250 Courtland Drive in San Bruno, California for the purpose of vehicular driveway access at an initial annual rental rate of \$1,200. (Dowd)

### **CLOSED SESSION**

20. Public Comments on matters to be discussed in Closed Session.
21. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

**THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:**

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Buchbinder/Lee)

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

23. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County  
Parties Negotiating: CCSF: Dowd/Milstein/Stewart  
Lessee: Mission Valley Rock  
Under Negotiation: Terms

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Berliner)

Anticipated Litigation: As Defendant

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Berliner)

Anticipated Litigation: As Plaintiff

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Pla/Roddy)

Anticipated Litigation: As Defendant  
Regarding Regional Water Quality Control Board Complaint  
No. 96-145.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

28. Announcement following Closed Session.

29. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



**MINUTES**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

**Willie L. Brown, Jr.**  
**MAYOR**

**REGULAR MEETING**

**February 25, 1997**  
**1:00 P.M.**  
**Room 402**  
**1155 Market Street, Fourth Floor**

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PUBLIC LIBRARY

**COMMISSIONERS**

**E. Dennis Normandy, President**  
**Victor G. Makras, Vice President**  
**Robert K. Werbe**  
**Frank L. Cook**

**DEPARTMENTS**

**Water Department**  
**Hetch Hetchy**  
**Clean Water Program**

**BUREAUS**

**Commercial Land Management**  
**Customer Service**  
**Engineering and Construction Management**  
**Environmental Regulation and Management**  
**Finance**  
**Information Systems**  
**Personnel and Training**  
**System Planning and Regulatory Compliance**  
**Water Pollution Control**

**Anson B. Moran**  
**GENERAL MANAGER**

**Romaine A. Boldridge**  
**SECRETARY**





1. Call to Order: 1:10 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

President Normandy announced that Commissioner Otsea's term had expired. He directed staff to prepare a resolution in appreciation for her work on the Commission in the past few years and schedule a special event to recognize it.

Commissioner Makras stated that the former Commissioner had contributed an incredible commitment of time and energy to the Commission and the City of San Francisco and he would like the resolution to reflect those qualities. Commissioners Werbe and Cook commended her expertise on water matters.

3. Approval of Minutes

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt the Minutes of the Budget Committee Meeting of February 3, 1997 and the amended Minutes of the Regular Meeting of February 11, 1996; passed (4-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Anson B. Moran, General Manager, of Public Utilities Commission reported on the status of old/ongoing business.

Commissioner Makras directed staff to delete from the list of PUC old/ongoing business Items 9 - requesting a joint meeting with Human Rights Commission, and Item 20 - requesting procedure for retention of tapes of closed sessions.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

a. Report on American Water Works Association Conference.

Mr. Moran reported on the American Water Works Association conference that he attended. The conference, attended by general managers of large water systems from the United States and Canada, centered on making public utilities competitive with private utilities. The consensus of the group was that publicly owned utilities were less competitive if the system was part of a municipal government.

President Normandy also reported on the joint management conference conducted by the American Water Works Association. He commended Steve Leonard and Karen Kubick for giving excellent presentations at the conference. He also congratulated John Mullane, Tim Dayonot and Cheryl Davis for putting together a display at the convention. President Normandy noted that one of the sessions he attended was related to the department's objective to establish a comprehensive communications plan. He stressed the value of all PUC departments communicating cohesively to the public.

Discussion of Items 7b and 7c were moved to a later time.

8. Public Comments

There were none.

9. Directing staff to initiate actions to terminate all use by livestock of PUC owned watershed land as quickly as is legally permissible under the terms of the leases, permits or other agreements under which such use is taking place.

President Normandy recommended continuing this item to the meeting of March 11, 1997 since the Commission has scheduled a hearing on March 4, 1997 to receive public testimony concerning the overall watershed management plan.

Commissioner Makras stated that he supported continuation of the item to receive additional input from the public and allow the Commission to discuss the issue of livestock grazing as a policy matter. He noted that he raised this issue premised on his goal to deliver clean, safe and on demand water to customers and to explore smart means to manage the watershed.

Commissioner Normandy stated that the Commission is cognizant of the issues related to termination of grazing in the watershed. He named those issues as science, fire hazards, potential increased liabilities, ecological balance, vegetation management, risks to livelihoods of cattle grazers, loss of revenues for the City, additional management cost, and trail management. He stated that given those issues, the Commission must decide this issue within its primary objective to deliver clean, safe, on time water.

The following individuals commented:

Kenneth W. Tate, from the University of California, Davis, stated that he would comment on the scientific issue at the March 4th meeting.

Sheila Barry, Water Management Specialist, of the Alameda Resource Conservation District, suggested that the Commission look at a more comprehensive watershed management plan that identifies the source of cryptosporidium. She noted that removing cattle would not eliminate cryptosporidium.

George Gough of the California Cattlemen's Association, and Nancy Richardson, Santa Clara County Farm Bureau, commented that there was no conclusive evidence that cattle are primary contributors to the problems of cryptosporidium.

Lloyd Wagstaff, Land Acquisition Manager for East Bay Regional Park District, expressed willingness to work with the Commission in developing watershed policies.

The following individuals commented opposing the removal of cattle grazing in the watershed: Bill Maison, Russ Fields, Larry Williams, James Holly, Bud Nielsen, Connie Berto of Marin Horse Council, Marcia Patrick representing the California State Horsemen Association, and Bonnie Davis.

David Chatfield, State Director for Clean Water Action, commented in favor of removing cattle grazing.

Commissioner Cook moved, seconded by Commissioner Makras, to continue Item 9 to the meeting of March 11, 1997, passed (4-0) unanimously.

The Commission resumed discussion of the General Manager's Report.

7. b. Presentation No. 3 - Regarding Electric Power Deregulation.

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, gave a presentation using electronic slides. Mr. Klein talked about the interconnected western system power pool, how the City obtains its power supply and transmission from that system, and how it could change due to power deregulation. Mr. Klein showed maps of the western system and San Francisco's distribution system. There was also discussion regarding transmission and generation issues that would affect San Francisco if it were identified as a congestion area.

- c. Presentation on Current Water Rates.

William H. Laws, Rate Administrator, gave a presentation regarding the rate development process using electronic slides. Mr. Laws discussed the different schedules of rates applied to Water Department customers.

Regarding the Olympic Club water purchase, Joshua Milstein of the City Attorney's Office, stated that staff would recommend at the next PUC meeting a volume charge that would recover the City's cost for recharging water into Lake Merced and also provide a rate of return for the City.

Commissioner Makras requested staff to calendar an item to discuss leases that provide free water supply as part of the lease and whether the Commission should continue to allow that provision.

\*\*\*\*\*

The Commission considered Items 10 and 11 together.

10. Authorizing the General Manager of Public Utilities to open the Sunol Water Temple to general public access during all regular business days beginning on April 1, 1997 and to temporarily close the temple as deemed necessary during construction and restoration.
11. Authorizing a two-year trial period to open the Pulgas Temple to vehicular access during daylight hours on Sundays; directing staff to report to the Commission any findings associated with the pilot test and to include recommendations for use of the temple as combined public use/public education area in the Peninsula Watershed Policy and Management Plan. (Continued from the meeting of January 28, 1997.)

Commissioner Makras recommended continuing Items 10 and 11 to the call of the Chair. He stated that it would be more advantageous if the restoration of the Sunol

Temple is completed first and then develop a program on how we can make these temples accessible to the public.

Mark Weinberger commented in favor of allowing vehicular and public access to the Pulgas Temple on Saturdays. He also requested the Commission to consider illuminating the area with floodlights.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to continue Items 10 and 11 to an unspecified date at the call of the Chair, passed (4-0) unanimously.

\*\*\*\*\*

The Commission discussed Items 12, 13 and 14 together.

12. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of February 11, 1997.)
13. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of February 11, 1997.)
14. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of February 11, 1997.)

Robert T. Cockburn, Manager, Utilities Engineering Bureau, stated that the MBE/WBE percentage goals were not reflective of the kinds of work that subcontractors do. Mr. Cockburn explained that MBE/WBE participation is smaller for sewer replacement contracts compared with water pipeline replacement contracts at the same dollar value. Sewer contracts require deeper trenches which increase the contract cost. He cited that prime contractors do not subcontract excavation and pipeline work because they hold these portions of work for themselves. Usually, surface work such as trucking is subcontracted.

Bayard Fong, Human Rights Compliance Officer, presented a revised recommendation for MBE/WBE participation goals for the three projects. For Items 12 and 13, he raised the WBE participation goals from 1% to 2%, retained MBE goal for Item 12 at 7.5% and lowered MBE goal for Item 13 to zero. For Item 14, he raised the WBE participation goal from 1% to 4% and the MBE goal from 7.5% to 10%.

Commissioner Makras stated that he cannot support this recommendation as it does not reflect the goals of the Commission for MBE/WBE participation. He said he could not



believe that a WBE firm could only do \$1,600 worth of work. He asked for the names of the firms which stated that they could only perform this amount of work.

President Normandy directed staff to provide to the Commission a breakdown of the job by prime contractors and subcontractors, the limitation of the jobs, and why the subcontractors could only do so much.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to continue items numbered 12, 13, and 14 to the next regular meeting of March 11, 1997, passed (4-0) unanimously.

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15. Authorizing a Cooperative Agreement with the Bay Area Dischargers Association for participation in Step 2 of the Central California Regional Water Recycling Project.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 15, passed (4-0) unanimously.

Resolution No. 97-0062: Authorizing the General Manager of Public Utilities to enter into a Cooperative Agreement with the Bay Area Dischargers Association for participation in Step 2 of the Central California Regional Water Recycling Project with \$150,000 for first year funding of the project.

16. Authorizing a Memorandum of Understanding with the Bay Area Water Users Association (BAWUA) for the joint sponsorship of the Water Supply Master Plan.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0063: Authorizing the General Manager of Public Utilities to enter into a Memorandum of Understanding with the Bay Area Water Users Association (BAWUA) for the joint sponsorship of the Water Supply Master Plan.



On recommendation by President Normandy, Commissioner Werbe moved, seconded by Commissioner Cook, to adopt Items numbered 17, 18, and 19; passed (4-0) unanimously.

17. Resolution No. 97-0064: Authorizing the General Manager of Public Utilities to execute a permit with Pacific Gas and Electric Company, for installing two 6-inch diameter underground electrical conduits on a portion of Parcel 111-C of Bay Division Pipeline Nos. 3 and 4 right-of-way located in Milpitas, Santa Clara County.
18. Resolution No. 97-0065: Authorizing the General Manager of Public Utilities to execute a permit with Kaiser Aluminum & Chemical Corporation for soil sampling in the vicinity of the cow pond for investigation of polychlorinated biphenyl (PCB) concentration on a portion of Parcel 69 of Pleasanton lands in Alameda County.
19. Resolution No. 97-0066: Authorizing the General Manager of Public Utilities to execute a lease with Smart SMR of California, Inc., for approximately 1,555 square feet of land under the jurisdiction of the Water Department located at 250 Courtland Drive in San Bruno, California for the purpose of vehicular driveway access at an initial annual rental rate of \$1,200.

## **CLOSED SESSION**

20. Public Comments on matters to be discussed in Closed Session.

The following individual commented on Item 27 - Regarding Regional Water Quality Board Complaint No. 96-145.

Doug Biggs, San Francisco Conservation Corps, urged the Commission to apply a portion of fine for violating State standards toward their proposal for Crissy Field.

21. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to assert the attorney-client privilege regarding Items No. 22, 23, 24, 25, 26 and 27; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 4:00 P.M. to 5:50 P.M. to discuss the following matters:

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

No action was taken on Item 22.

23. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portion of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF: Dowd/Milstein/Stewart
	Lessee: Mission Valley Rock
Under Negotiation:	Terms

No action was taken on Item 23.

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Berliner)

Anticipated Litigation: As Defendant

No action was taken on Item 24.

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Berliner)

Anticipated Litigation: As Plaintiff

No action was taken on Item 25.

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

Resolution No. 97-0067: Rejecting an offer made by Chevron Pipeline Company regarding the case Chevron v. CCSF, and CCSF v. Standard, et.al.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Regional Water Quality Control Board  
Complaint No. 96-145.

Resolution No. 97-0068: Recommending to the Regional Water Quality Control Board allocation of Administrative Civil Liability fine totaling \$300,000.

The Public Utilities Commission reconvened in public session.

28. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

Commissioner Werbe was excused at 5:35 p.m.

29. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:51 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### ***SPECIAL MEETING***

***March 4, 1997***

***1:00 P.M.***

***Room 402***

***1155 Market Street, Fourth Floor***

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#### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Marion E. Otsea  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

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The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

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### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

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If you require assistance in evacuating, please request the aid of PUC staff.



## ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTER BEFORE THE PUBLIC UTILITIES COMMISSION IS RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

3. Public Hearing - To consider revisions to the Preferred Alternative and scope of work for the Environmental Impact Report currently under way for the Watershed Management Plan. (Davis/Stewart)
  - 1:00 P.M. Golf Courses/Driving Ranges and Golf Course Related Activities
  - 2:00 P.M. Routing of Proposed Bay Area Ridge Trail
  - 2:30 P.M. Grazing and Equestrian Use

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

#### SPECIAL MEETING

*March 4, 1997*

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

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#### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:10 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook
3. Public Hearing - To consider revisions to the Preferred Alternative and scope of work for the Environmental Impact Report currently under way for the Watershed Management Plan.

### **Golf Courses/Driving Ranges and Golf Course Related Activities**

Edward Stewart, Watershed Resources Manager, provided an overview of the watershed management planning process. He described the preferred alternative adopted by the Commission for golf courses.

President Normandy commented that the Commission was reconsidering the golf course element so that the risks and benefits of including a new golf course in the watershed management plan could be fully and objectively analyzed.

The following individuals commented in support of constructing a new golf course in the Peninsula watershed.

Supervisor Mary Griffin, San Mateo County Board of Supervisors; Jackie Landsman representing Senator Quentin Kopp; Pete Peabody; Norman Nutter; Robert Commins; Barbara Koontz, San Mateo County Golfers Association; Paul Koenig, San Mateo County Environmental Services; Steve Schrader representing Robert Trent Jones; Tim Sullivan; Helen Alaimo; Carol Tompkins, San Mateo County Golfers Association; Barbara Koontz for Arnold Rudstrom of San Mateo County Golfers Association; Bernard Hulihee, San Mateo County Golfers Association; Alfred Keriotis; Peter Economus; Nick Sarles; and Jim Mallett.

The following individuals commented against building a new golf course:

Clifford Greyson, Member, Woodside Town Council, District 1; William Jackson, Mayor, Town of Woodside; Doug Nadeau, Golden Gate National Recreation Area; Lennie Roberts, Citizens Advisory Council for Golden Gate National Recreation Area; Mary Campbell-Droze; Norbert Rapp; Shirley Campbell, Peninsula Watershed Preservation Society; Marcia Pagels; Bob Hess; Jeanne Dickey, Town of Woodside Conservation and Environmental Health Committee; Amy Meyer; Howard (last name unknown) representing the Committee for Green Foothills; Brian Huse, National Parks and Conservation Association; Julia Bott, Sierra Club, Loma Prieta Chapter; Jacob Sigg; Dr. W.B. Friedman; Pete Holloran, California Native Plant Society;

Barbara Deutsch, North American Butterfly Association; Ruth Gravanis; Richard Cole; Marty Bookman; Olive Mayer; and Nina Eloesser.

President Normandy referred to the two resolutions prepared by staff: Resolution 1A represents opening the preferred alternative to include an additional golf course; and 1B reaffirms the position taken in the preferred alternative adopted by the Commission in 1995 of no new golf courses. He pointed out that the vote of the Commission should not be construed as a judgement on whether to build or not to build a golf course.

Commissioner Makras commented that he supports the motion to include an additional golf course in the Preferred Alternative as golf courses could improve revenue sources for the City. He requested Mary Campbell Droze, one of the speakers, to provide to the Commission the names of species on the site that could be extinct.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt a resolution that would include an additional golf course in the Preferred Alternative; passed (4-0) unanimously.

Resolution No. 97-0069: Modifying the Preferred Alternative adopted by the Public Utilities Commission on January 26, 1995 to include an additional golf course in the Southern Peninsula watershed and other golf related activities; and directing the General Manager to prepare the environmental impact reports for the watershed management plans in a manner that insures that this modification of the Preferred Alternative is fully analyzed and disclosed to the public.

### **Routing of Proposed Bay Area Ridge Trail**

Mr. Stewart noted that the existing preferred alternative does not provide for a new interior trail, closes existing interior trails to the public, and excludes mountain bikes. Mr. Stewart stated that the Commission was reconsidering the ridge trail alignment as requested by the Bay Area Ridge Trail Council, National Park Service Golden Gate National Recreation Area and the San Mateo Country Trails Council.

The following individuals expressed their support for the alignment of the Ridge Trail as proposed by the Bay Area Ridge Trail Council through the Peninsula watershed: Andrew Lisac, Bay Area Ridge Trail Council; Adda Quinn; George Sublett; Christina Romano-Puckett; Jane Lancaster; San Mateo Trail Users Group; Emily George; Tim Lane, Bay Area Ridge Trail Council; Patricia Dixon; Jean Rusmore; Randy Anderson, Midpeninsula Regional Open Space District; Nina Eloesser; Doris



Lindfors; Robert Emert; Barbara Weitz; and Don Ramsey, California Horsemen Association.

The following individuals spoke against the ridge trail proposal: Mary Campbell Droze; Shirley Campbell, Peninsula Watershed Preservation Society; Jacob Sigg, California Native Plant Society; Gail Ciardi; and Marty Bookman, Peninsula Carriage Driving Club.

President Normandy referred to the two resolutions prepared by staff: Resolution 2A reaffirms the routing adopted by the Commission in the preferred alternative. Resolution 2B modifies the preferred alternative to include the Bay Area Ridge Trail's proposed trail alignment with respect to an interior trail.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Resolution 2A; passed (4-0) unanimously.

Resolution No. 97-0070: Reaffirming the Preferred Alternative adopted by the Public Utilities commission on January 26, 1995 and that no modifications are necessary with respect to interior trails.

## **GRAZING AND EQUESTRIAN USE**

Mr. Stewart stated that this element of the watershed plan was being reconsidered due to concerns over waterborne pathogens, reservoir detection of pathogens at low levels, lack of conclusive science in this area and perceived public risk due to waterborne pathogens.

Mr. Moran noted that what was being considered on the table were livestock grazing practices in the watershed and not recreational horseback riding.

Steve Leonard, Water Quality Program Manager, stated that livestock grazing were one of the areas that could be explored to reduce the risk of cryptosporidium in the water.

The following individuals expressed support for livestock grazing and opposition to the removal of grazing and equestrian uses in the watershed: Dr. John Maas, University of California-Davis; Dr. Bert Johnson, Professor of Medicine at Stanford University; Sheila Barry, Alameda County Resource Conservation District; Dr. Jim Culler, Director of Veterinary Medicine at Tulare, California; Jack Roddy; Bonnie Davis; Barbara Deutsch, North American Butterfly Association; Judy Etheridge; Stan Garcia; Larry Williams; Debra Duffer, Backcountry Horsemen of California, Ohlone Riders Unit; Don Rumsey, California State Horsemen Association; Bill Thomas, California Cattlemen's Association; Bruce Blodgett, California Farm Bureau; George

Gough; Diane Hicks; Tim Lane, Bay Area Ridge Trail Council; Ken Burger, East Bay Regional Park District; Ann Vassar; Jack Abraham, California State Horsemen's Association; Shelley Davis; and Jim Coelho.

The following individuals commented against livestock grazing or equestrian use: Nina Eloesser; Clifford Greyson, Member, Woodside Town Council-District 1; Marty Bookman; Rob Sabots, Act-Up Golden Gate; and Tony Leone, Gay and Lesbian Democratic Club.

Chris Romano Puckett, and George Sublett of San Mateo County Mountain Patrol requested to give recreational equestrians access to watershed lands.

President Normandy stated that the Commission takes seriously its mandate to deliver clean, safe water and that they were mindful of the need to reduce the risk of waterborne pathogens particularly for immune deficient customers.

Commissioner Makras commented that he disagreed with some speakers who indicated that the Commission was moving too fast with the grazing issue. He said the Commission was doing the best thing possible by aggressively looking at risk reduction. He expressed appreciation to those organizations who had volunteered to help the Commission in finding a solution to eliminate, minimize or contain the risk of waterborne pathogens. He stated that the solution should meet the criteria to provide maximum water quality, maximum fire protection and maximum watershed protection.

President Normandy stated that this resolution supersedes prior Commission's direction to calendar this item on March 11, 1997.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously:

Resolution No. 97-0071: At its first regular meeting in May 1997, this Commission will either reaffirm its current preferred alternative which allows rebidding of grazing leases to take effect on November 1, 1997 or declare a moratorium on all cattle grazing on Public Utilities Commission watershed lands; and directed the General Manager of Public Utilities to solicit and obtain from the Alameda County Resource Conservation District and the livestock industry, a comprehensive best management practices plan designed specifically to include risk assessment and monitoring programs guarding against cryptosporidium and other waterborne pathogens, and that said plans be submitted to this Commission no later than April 30, 1997.

Thereupon, the meeting was adjourned:

5:30 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### ***SPECIAL MEETING***

**March 11, 1997**

**12:15 P.M.**

Room 402  
1155 Market Street, Fourth Floor

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PUBLIC LIBRARY

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
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Personnel and Training  
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Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

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## ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

### CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)  
  
Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).
6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)  
  
Existing Litigation: Bay Delta Hearing D-1630.



CLOSED SESSION (Continued)

7. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Pelosi)

Existing Litigation: Harold Morgan v. CCSF, Superior Court No. 962-629.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

8. Announcement following Closed Session.
9. Motion regarding whether to disclose the discussions during Closed Session.

*In the event the Closed Session has not concluded by 1:00 p.m. when the Regular Calendar is scheduled to begin, the Closed Session will recess and reconvene immediately following the Regular Calendar.*



1:00 P.M.

**REGULAR CALENDAR**

10. Approval of Minutes
11. Communications
12. Introduction of Old/Ongoing Business by Commissioners
13. Introduction of New Business by Commissioners
14. Report of the General Manager
  - a. Moscone Convention Center Street Furniture (Klein)
  - b. Presentation No. 4 - Regarding Electric Power Deregulation (Berliner)
  - c. Sewer Rate Presentation (Carey)
  - d. Clean Water Program Planning (Moran)
  - e. Communications Plan Update (Dayonot)
15. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.





## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

16. Authorizing the General Manager of Public Utilities to execute Modification No. 5 to the agreement with Hooper, Hooper, Owen and Gould, extending the contract to April 30, 1997 at no additional cost. (Moran)

### **WATER QUALITY DIVISION**

**Andrew DeGraca, Manager**

17. Authorizing the Manager of Water Quality to execute Amendment No. 7 to the professional services agreement with Camp Dresser & McKee, Inc. to perform Water Quality Planning studies, extending the completion date to December 31, 1997 at no additional cost. (DeGraca)

### **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

18. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of February 25, 1997. Recommended for continuation to March 25, 1997.) (Cockburn)
19. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of February 25, 1997. Recommended for continuation to March 25, 1997.) (Cockburn)



UTILITIES ENGINEERING BUREAU (Continued)

20. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of February 25, 1997. Recommended for continuation to March 25, 1997.) (Cockburn)
21. Authorizing the Manager of Utilities Engineering to expedite construction of new wastewater utility lines and facilities with total project cost not to exceed \$800,000 by advertising for bid to pre-purchase construction materials needed, and advertising for bids to construct the wastewater utility lines and facilities as per agreement with the U.S. Department of Interior/National Park Service. (Cockburn)
22. Authorizing the Manager of Utilities Engineering to negotiate and execute professional services agreements with CH2M Hill, Montgomery Watson, and Olivia Chen Consultants Engineering Joint Venture to provide engineering services for Phase I of the Recycled Water Master Plan. (Cockburn)
23. Accepting the work performed under San Francisco Water Department Contract No. WD-2148, Alameda Creek Diversion Dam - Sluice Gates as complete; approving Contract Modification No. 1 in the credit amount of \$15,003.50; extending contract completion time from October 9, 1994 to October 14, 1994; and approving final payment to the contractor, San Luis Construction in the amount of \$100.00. (Cockburn)
24. Approving a 12-month contract time extension to Contract CTPW #96000087 with Public Affairs Management to assist the Utilities Engineering Bureau of the Recycled Water Public education program. (Cockburn)



## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

25. Authorizing the General Manager of Public Utilities to execute an application and agreement with the Olympic Club for the sale of water at a cost of \$0.78/Ccf for recharge of the Westside Groundwater Basin through Lake Merced. (Continued from the meeting of February 11, 1997.) (Ritchie)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

26. Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the City and County of San Francisco Department of Telecommunications and Information Services (DTIS), for installation of a new 800 MHZ radio system and a new 800 MHZ mobile data radio system at various locations in San Francisco. (Dowd)

**ADJOURNMENT**



# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

March 11, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

APR 16 1997

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## COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook

## DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 1:20 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

THE MEETING STARTED WITH THE 1:00 P.M. REGULAR AGENDA.

10. Approval of Minutes

On motion by Commissioner Cook seconded by Commissioner Werbe, the Minutes of the Regular Meeting of January 28, 1997 were approved (4-0) by unanimous vote.

11. Communications

No action was taken.

12. Introduction of Old/Ongoing Business by Commissioners

Chevron

On motion by Commissioner Makras, seconded by Commissioner Werbe, the Commission voted unanimously to make the City Attorney's opinion regarding Chevron's campaign contributions a public document.

MBE/WBE

Commissioner Makras suggested calendaring an item that would maximize the MBE and WBE participation in PUC contracts. He stated that his goal was to increase the MBE/WBE participation by 50% this year and increase it again next year based upon the success of the new goals. He requested that the General Manager write a letter to the Human Rights Commission advising them of the Commission's intent.

525 Golden Gate

President Normandy requested an update on the efforts to acquire 525 Golden Gate Avenue. Garrett Dowd, Manager, Bureau of Commercial Land Management, reported that an "option to purchase" agreement had been submitted with the State. The option was based upon a \$1 purchase price in which the City would assume

demolition and remediation costs. Mr. Dowd noted that he would be attending a meeting today with the representatives from the Mayor's Office, the City Attorney's Office and the Department of Real Estate to discuss how the project would be financed and who would be the key parties to the agreement.

Commissioner Makras suggested finding out whether there was any report of soil contamination at that site.

13. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

14. Report of the General Manager

a. Moscone Convention Center Street Furniture

Jacob Szeto, Project Manager for the Department of Public Work's Decaux Toilet and Public Service Kiosk Program, described the project of retrofitting the street in front of Moscone Center. He stated that JC Decaux United Street Furniture would be donating street furniture that includes streetlights, benches and street signs at no cost to the City. He said installation and maintenance would be conducted by Decaux. Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, stated that the City would provide power for these streetlights as it does now.

b. Presentation No. 4 - Regarding Electric Power Deregulation

Thomas M. Berliner, Utilities General Counsel, discussed the existing structure of the Federal Energy Regulatory Commission and the California Public Utilities Commission and corresponding jurisdictions over restructuring issues involving stranded costs, transmission, reciprocity for access, and distribution.

Laurie Park, Hetch Hetchy Water and Power Resource Manager, discussed issues of concern to the City and County of San Francisco such as existing contracts with PG&E, congestion management, transmission access/expansion, retail rates, divestiture, and direct access to customers.

Commissioner Makras requested that staff provide to the Commission a summary of the contract between the City and County of San Francisco and Pacific Gas & Electric Company (PG&E) and request PG&E to prepare a summary of their own interpretation of the contract.

c. Sewer Rate Presentation

Ann Carey from the Clean Water Enterprise gave a presentation using electronic slides concerning the sewer rate development process and the existing sewer rate structure.

d. Clean Water Program Planning

Anson B. Moran, General Manager of Public Utilities, reported that the Clean Water Enterprise had complied with all its permits on March 4, 1997.

Mr. Moran mentioned that staff was in the process of planning an upcoming event in September 1997 to celebrate the 25th anniversary of the Clean Water Program.

e. Communications Plan Update

Timothy M. Dayonot, Manager, Government & Public Affairs, gave a status report on the communications plan using electronic slides. Mr. Dayonot discussed the various outreach activities staff had undertaken to improve communications with the community, industry and the media. Those activities included display exhibits at the American Water Works Association (AWWA) Conference and the San Francisco Main Library, and the formation of a community advisory group for the Sunol Temple Restoration Project.

15. Public Comments

There were none.

## REGULAR

16. Authorizing Modification No. 5 to the agreement with Hooper, Hooper, Owen and Gould.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0072: Authorizing the General Manager of Public Utilities to execute Modification No. 5 to the agreement with Hooper, Hooper, Owen and Gould, extending the contract to April 30, 1997 at no additional cost.

17. Authorizing Amendment No. 7 to the professional services agreement with Camp Dresser & McKee, Inc..

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 17, passed (4-0) unanimously.

Resolution No. 97-0073: Authorizing the Manager of Water Quality to execute Amendment No. 7 to the professional services agreement with Camp Dresser & McKee, Inc. to perform Water Quality Planning studies, extending the completion date to December 31, 1997 at no additional cost.

On motion made by Commissioner Werbe, seconded by Commissioner Cook, the following Items numbered 18, 19, 20, 21 and 24 were continued to March 25, 1997; passed (4-0) unanimously.

Regarding Item Nos. 18, 19, and 20, Commissioner Makras reiterated his requested staff to submit the name of those subcontractors who indicated that they could only do 1% of the contracts.

18. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids.
19. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids.
20. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids.
21. Authorizing the Manager of Utilities Engineering to expedite construction of new wastewater utility lines and facilities with total project cost not to exceed \$800,000 by advertising for bid to pre-purchase construction materials needed, and advertising for bids to construct the wastewater utility lines and facilities as per agreement with the U.S. Department of Interior/National Park Service.
24. Approving a 12-month contract time extension to Contract CTPW #96000087 with Public Affairs Management to assist the Utilities Engineering Bureau of the Recycled Water Public education program.

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22. Authorizing professional services agreements with CH2M Hill, Montgomery Watson, and Olivia Chen Consultants Engineering Joint Venture to provide engineering services for Phase I of the Recycled Water Master Plan.

Commissioner Werbe asked why the price was not included in the evaluation of the proposals. Robert T. Cockburn, Manager of the Utilities Engineering Bureau, responded that price is normally considered after a firm has been decided as the best firm based on technical capabilities. Karen Kubick stated that staff requested cost proposals at the time of the interview and the consultant which staff has recommended was \$400,000 less than the other firms.

Commissioner Makras stated that since all of the top three teams were qualified, staff should negotiate with all three to get the best price for the contract.

Commissioner Cook moved to adopt the resolution as submitted by staff. The motion died for lack of a second.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 22, and direct staff to negotiate the best price with two of the three qualified firms; passed (4-0) unanimously.

Resolution No. 97-0074: Authorizing the Manager of Utilities Engineering to negotiate with two of the three short listed firms or teams to obtain the best price, and to execute an agreement with the lowest priced firm or team to provide engineering services for Phase I of the Recycled Water Master Plan.

23. Accepting the work performed under San Francisco Water Department Contract No. WD-2148, Alameda Creek Diversion Dam - Sluice Gates as complete; approving Contract Modification No. 1 in the credit amount of \$15,003.50; extending contract completion time from October 9, 1994 to October 14, 1994; and approving final payment to the contractor, San Luis Construction in the amount of \$100.00.

Commissioner Werbe moved, seconded by Commissioner Cook, to adopt Item 23.

Commissioner Makras suggested continuing this item to allow him to explore options for the Commission to take in cases where a contractor does not meet the MBE goals set for a contract. The MBE goal set for this contract was 21% and the contractor achieved 8.9%.

Bayard Fong, Compliance Officer of the Human Rights Commission, stated that the department could request the Human Rights Commission to investigate why the goals were not met. He also mentioned some remedies a department could pursue if they determine bad faith compliance on the part of the contractor.



Commissioner Werbe withdrew his motion.

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 23 to the next regular meeting on March 25, 1997; passed (4-0) unanimously.

25. Authorizing an agreement with the Olympic Club for the sale of water for recharge of the Westside Groundwater Basin through Lake Merced. (Continued from the meeting of February 11, 1997.)

Moved by Commissioner Werbe, seconded by Commissioner Makras, to adopt Item 25, passed (4-0) unanimously.

Resolution No. 97-0075: Authorizing the General Manager of Public Utilities to execute an application and agreement with the Olympic Club for the sale of water at a cost of \$0.78/Ccf for recharge of the Westside Groundwater Basin through Lake Merced.

26. Authorizing a Memorandum of Understanding with the City and County of San Francisco Department of Telecommunications and Information Services (DTIS), for installation of a new 800 MHZ radio system and a new 800 MHZ mobile data radio system at various locations in San Francisco.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 26, passed (4-0) unanimously.

Resolution No. 97-0076: Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the City and County of San Francisco Department of Telecommunications and Information Services (DTIS), for installation of a new 800 MHZ radio system and a new 800 MHZ mobile data radio system at various locations in San Francisco.



## CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.

There were none.

4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Makras, seconded by Commissioner Cook, to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:15 P.M. to 4:15 P.M. to discuss the following matters:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

No action was taken on Item 5.

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearing D-1630.

No action was taken on Item 6.

7. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Harold Morgan v. CCSF, Superior Court No. 962-629.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to approve a settlement for Item 7; passed (4-0) unanimously.

Resolution No. 97-0077: Recommending that the Board of Supervisors resolve and settle the claim in the case of Harold Morgan v. CCSF, Superior Court No. 962-269.

#### THE PUBLIC UTILITIES COMMISSION RECONVENED IN PUBLIC SESSION.

8. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

9. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Werbe, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:17 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

March 25, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

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### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

### DEPARTMENTS

Water Department  
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Clean Water Program

### BUREAUS

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Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
  - a) Commending Marion E. Otsea for her services as a Member of the Public Utilities Commission.
7. Report of the General Manager
  - a) Update on Ridge Trail (Moran)
  - b) Presentation No. 5 - Regarding Electric Power Deregulation Challenges, Opportunities, Risks (Klein/Park)
  - c) Presentation - Outreach Program (Medbery)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.



THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

**REGULAR**

**UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

9. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of March 11, 1997. Proposed for continuance to April 8, 1997.) (Cockburn)
10. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of March 11, 1997. Proposed for continuance to April 8, 1997.) (Cockburn)
11. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of March 11, 1997. Proposed for continuance to April 8, 1997.) (Cockburn)
12. Approving a 12-month contract time extension to Contract CTPW #96000087 with Public Affairs Management to assist the Utilities Engineering Bureau of the Recycled Water Public education program. (Continued from the meeting of March 11, 1997. Proposed for continuance to April 8, 1997.) (Cockburn)
13. Authorizing the Manager of Utilities Engineering to expedite construction of new wastewater utility lines and facilities with total project cost not to exceed \$800,000 by advertising for bid to pre-purchase construction materials needed, and advertising for bids to construct the wastewater utility lines and facilities as per agreement with the U.S. Department of Interior/National Park Service. (Continued from the meeting of March 11, 1997.) (Cockburn)





14. Accepting the work performed under San Francisco Water Department Contract No. WD-2148, Alameda Creek Diversion Dam - Sluice Gates as complete; approving Contract Modification No. 1 in the credit amount of \$15,003.50; extending contract completion time from October 9, 1994 to October 14, 1994; and approving final payment to the contractor, San Luis Construction in the amount of \$100.00.  
(Continued from the meeting of March 11, 1997.) (Cockburn)
15. Approving the final plans and specifications and authorizing bid call for Hetch Hetchy Water and Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II. (Cockburn)
16. Reconsider direction to staff and consider authorizing the Manager of Utilities Engineering Bureau to negotiate and execute a professional services agreement with CH2MHill/Montgomery Watson/and Olivia Chen Consultants Engineering Joint Venture to provide engineering services for Phase I Recycled Water Master Plan or reject all proposals and initiate a low bid process. (Kubick)
17. Rejecting bids submitted for Specification No. 7515E, Southeast Water Pollution Control Plant Concrete Repairs Building 200 Influent Channel, and authorizing readvertising for bids. (Cockburn)
18. Approving the final plans and specifications for Bureau of Engineering Contract Specification No. 1351N, to upgrade the Oceanside Water Pollution Control Plant Secondary Substation SS-5 to 42,000 amp. rating and provide the provisions for the connection of a future portable generator; and authorizing advertisement for bids.  
(Cockburn)



## **BUREAU OF FINANCE**

**Steven Carmichael, Director**

19. Designating Tuesday, April 22, 1997 at 1:00 p.m. in Room 402, 1155 Market Street, San Francisco as the date, time and place for a public hearing to consider proposed adjustments in the rates charged for water service and water supplies by the Water Enterprise to its retail and wholesale customers, to consider proposed adjustments in the rates charges for sewer service provided by the Clean Water Enterprise to its retail and wholesale customers, and to consider proposed adjustments in the miscellaneous fees charged by the Water Enterprise and Clean Water Enterprise. (Laws)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

20. Authorizing the General Manager of Public Utilities to execute on behalf of the City and County of San Francisco a permit with the County of Tuolumne, for the use of modular building and paved play area in connection with a county youth center and senior citizens area for the Groveland community on a portion of Hetch Hetchy Parcel Nos. 183-2 and 422-1 in the City of Groveland, Tuolumne County. (Dowd)
21. Authorizing the General Manager of Public Utilities to execute on behalf of the City and County of San Francisco a lease with Sprint Spectrum L.P., for approximately 252 square feet of land on a portion of Parcel 65 of Sunol and San Antonio lands, Alameda County, for use as a communications site for a personal communication service system facility at a monthly rental rate of \$1,800.00. (Dowd)



## CLOSED SESSION

- 22. Public Comments on matters to be discussed in Closed Session.
- 23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

- 24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)  
  
Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).
- 25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Milstein/Mueller)  
  
Anticipated Litigation: As Defendant  
Regarding Hoxie Development, Inc.
- 26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:  
  
Property: 525 Golden Gate Avenue  
Parties Negotiating: CCSF: Dowd  
State of California  
Under Negotiation: Terms





27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco  
Portion of Assessor's Block No. 3180

Parties Negotiating: Dowd/Cohen

Lessee: Undetermined

Under Negotiation: Price and Terms

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Buchbinder/Lee)

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

30. Announcement following Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



## NOTICE OF PUBLIC HEARING

*Notice is hereby given that the Public Utilities Commission for the City and County of San Francisco will conduct a public hearing on Tuesday, April 8, 1997, at 1:00 p.m., at 1155 Market Street, Fourth Floor, to consider amending the Rules and Regulations Governing Water Service to Customers to allow for more than one high bill adjustment in a twelve month period.*



# MINUTES

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

5/97  
Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

March 25, 1997

1:00 P.M.  
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Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:10 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

Excused - Vice President Victor G. Makras

President Normandy welcomed the newly appointed member of the Commission, Ann Moeller Caen.

3. Approval of Minutes

On motion by Commissioner Werbe, seconded by Commissioner Cook, the Minutes of the Regular Meeting of February 25, 1997 were approved (4-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 6, passed (4-0) unanimously.

- a) Resolution No. 97-0078: Commending Marion E. Otsea for her services as a Member of the Public Utilities Commission.



7. Report of the General Manager

a) Update on Ridge Trail

Anson B. Moran, General Manager of Public Utilities, reported that staff had received letters from the public expressing dissatisfaction with the PUC action not to provide uncontrolled access to the interior of the Peninsula watershed. He mentioned that there had also been adverse press reaction that characterized the Commission's vote as unreasonable and arbitrary.

Mr. Moran noted that Supervisor Tom Ammiano introduced a resolution at the Board of Supervisors proposing to approve low impact public recreational access to the San Francisco Peninsula watershed along the Fifield/Cahill Service Road and designate the Fifield/Cahill Service Road as a segment of the Bay Area Ridge Trail. The resolution is also requesting PUC to adopt a plan for multi use access to the route. The Board of Supervisors Health, Family and Environment Committee will hear the resolution on April 10, 1997.

Mr. Moran showed maps of the existing and proposed trail. He described the alternate alignment to the proposed Bay Area Ridge Trail and the proposal to grant access to the interior on a controlled basis.

Mr. Moran explained the concerns about fire, sanitation, litter, and off trail activities in the trail if uncontrolled access is allowed. He noted that staff is putting together a compilation of injury claims that resulted from off-trail activities.

President Normandy noted that the Commission was not saying no to a ridge trail but merely saying that there are better alternatives that would meet the Commission's objectives toward protection of our drinking water. He indicated that staff should communicate this to the media.

Commissioner Cook suggested taking members of the press on a tour of the trail.

b) Presentation No. 5 - Regarding Electric Power Deregulation Challenges, Opportunities, Risks

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, discussed the business implications of restructuring to the electric power industry using electronic slides. Laurie Park, Hetch Hetchy Water & Power Resources Manager, discussed opportunities and risks.

c) Presentation - Outreach Program

Steven Medbery, Manager, Bureau of Environmental Regulation and Management and Paula Kehoe, Public Education Coordinator, gave a presentation using electronic slides, regarding the public education program for water pollution prevention.

8. Public Comments

There were none.

## REGULAR

As requested by staff, Commissioner Cook moved, seconded by Commissioner Werbe, to continue Items 9, 10, 11, 12 and 18 to the next regular meeting scheduled on April 8, 1997; passed (4-0) unanimously.

9. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of March 11, 1997.)
10. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of March 11, 1997.)
11. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of March 11, 1997.)
12. Approving a 12-month contract time extension to Contract CTPW #96000087 with Public Affairs Management to assist the Utilities Engineering Bureau of the Recycled Water Public education program. (Continued from the meeting of March 11, 1997.)
18. Approving the final plans and specifications for Bureau of Engineering Contract Specification No. 1351N, to upgrade the Oceanside Water Pollution Control Plant Secondary Substation SS-5 to 42,000 amp. rating and provide the provisions for the connection of a future portable generator; and authorizing advertisement for bids.

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13. Authorizing construction of new wastewater utility lines and facilities as per agreement with the U.S. Department of Interior/National Park Service.

Robert T. Cockburn, Manager, Utilities Engineering Bureau, requested that the Commission vote only on the pre-purchase of construction materials. Staff would return to the Commission on the construction portion when they resolve minority participation issues.

Commissioner Werbe moved, seconded by Commissioner Cook to amend the resolution. The motion passed unanimously.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 13 as amended, passed (4-0) unanimously.

Resolution No. 97-0079: Authorizing the Manager of Utilities Engineering to expedite construction of new wastewater utility lines and facilities with total project cost not to exceed \$800,000 by advertising for bid to pre-purchase construction materials needed.

On recommendation by President Normandy, Commissioner Werbe moved, seconded by Commissioner Cook, to adopt Items 14, 15, and 17; passed (4-0) unanimously.

14. Resolution No. 97-0080: Accepting the work performed under San Francisco Water Department Contract No. WD-2148, Alameda Creek Diversion Dam - Sluice Gates as complete; approving Contract Modification No. 1 in the credit amount of \$15,003.50; extending contract completion time from October 9, 1994 to October 14, 1994; and approving final payment to the contractor, San Luis Construction in the amount of \$100.00.
15. Resolution No. 97-0081: Approving the final plans and specifications and authorizing bid call for Hetch Hetchy Water and Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II.
17. Resolution No. 97-0082: Rejecting bids submitted for Specification No. 7515E, Southeast Water Pollution Control Plant Concrete Repairs Building 200 Influent Channel, and authorizing readvertising for bids.

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16. Authorizing a professional services agreement with CH2MHill/Montgomery Watson/and Olivia Chen Consultants Engineering Joint Venture.

Mr. Cockburn noted that the Commission approved this item at the last meeting with a direction for staff to negotiate with two of the qualified firms. He stated that because the Request for Proposal specified that the department was going to negotiate with the top rated firm, the City Attorney suggested that staff either reject all bids received and readvertise, or negotiate with the top rated firm. Mr. Cockburn recommended negotiating with the top rated firm. He noted that the top rated firm was a joint venture with an overall MBE participation of 23% and 29% WBE.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0082: Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute a professional services agreement with CH2MHill/Montgomery Watson/and Olivia Chen Consultants Engineering Joint Venture to provide engineering services for Phase I Recycled Water Master Plan.

19. Designating a date, time and place for a public hearing to consider proposed adjustments in the rates charged for water service and water supplied and the rates charged for sewer service.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 19, passed (4-0) unanimously.

Resolution No. 97-0084: Designating Tuesday, April 22, 1997 at 1:00 p.m. in Room 402, 1155 Market Street, San Francisco as the date, time and place for a public hearing to consider proposed adjustments in the rates charged for water service and water supplied by the Water Enterprise to its retail and wholesale customers, to consider proposed adjustments in the rates charges for sewer service provided by the Clean Water Enterprise to its retail and wholesale customers, and to consider proposed adjustments in the miscellaneous fees charged by the Water Enterprise and Clean Water Enterprise.

20. Authorizing a permit with the County of Tuolumne, for the use of modular building and paved play area for the Groveland community.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 20, passed (4-0) unanimously.

Resolution No. 97-0085: Authorizing the General Manager of Public Utilities to execute on behalf of the City and County of San Francisco a permit with the County of Tuolumne, for the use of modular building and paved play area in connection with a county youth center and senior citizens area for the Groveland community on a portion of Hetchy Parcel Nos. 183-2 and 422-1 in the City of Groveland, Tuolumne County.

21. Authorizing a lease with Sprint Spectrum L.P., for approximately 252 square feet of land on a portion of Parcel 65 of Sunol and San Antonio lands, Alameda County.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 21, passed (4-0) unanimously.

Resolution No. 97-0086: Authorizing the General Manager of Public Utilities to execute on behalf of the City and County of San Francisco a lease with Sprint Spectrum L.P., for approximately 252 square feet of land on a portion of Parcel 65 of Sunol and San Antonio lands, Alameda County, for use as a communications site for a personal communication service system facility at a monthly rental rate of \$1,800.00.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

- 21.a. Resolution No. 97-0087: Commending Bayard Fong for his services to the Public Utilities Commission as Human Rights Compliance Officer.

## CLOSED SESSION

22. Public Comments on matters to be discussed in Closed Session.

There were none.

23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to assert the attorney-client privilege regarding the matters listed as Conference with Legal Counsel; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:48 P.M. to 4:20 P.M. to discuss the following matters:

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

No action was taken on Item 24.

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Hoxie Development, Inc.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to approve a settlement for Item 25, passed (4-0) unanimously.

Resolution No. 97-0088: Approving a settlement of claim by Hoxie Development, Inc.; and urging the Board of Supervisors to approve payment of the claim.



26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 525 Golden Gate Avenue  
Parties Negotiating: CCSF: Dowd  
State of California  
Under Negotiation: Terms

No action taken on Item 26.

27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco  
Portion of Assessor's Block No. 3180  
Parties Negotiating: Dowd/Cohen  
Lessee: Undetermined  
Under Negotiation: Price and Terms

No action was taken on Item 27.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water  
Department property on Bernal Avenue in Alameda  
County.

No action was taken on Item 28.



29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a);

Existing Litigation: Local 790 v. PUC, San Francisco Water Department,  
Superior Court No. 962-456.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to approve a settlement for Item 29; passed (4-0) unanimously.

Resolution No. 97-0089: Approving the Settlement Agreement and the General Release and the Lease Agreement as drafted by the legal counsel for the City and the Union.

The Public Utilities Commission reconvened in public session.

30. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Werbe, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:22 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

April 8, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

APR 03 1997

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PUBLIC LIBRARY

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Presentation by Andrea Gourdine, Director of Human Resources.
  - b. Presentation No. 6 - Regarding Electric Power Deregulation. (Klein)
  - c. Cost Sharing with the City of Santa Clara. (Klein)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **CUSTOMER SERVICE BUREAU**

**John P. Mullane, Manager**

9. **PUBLIC HEARING** - To consider amending the Rules and Regulations Governing Water Service to Customers to allow for more than one high bill adjustment in a twelve-month period. (Mullane)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

10. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission on January 7, 1997 relating to the Floods of January 1997; approving the transfer of funds in the amount of \$10,000,000; and requesting the Board of Supervisors to adopt a resolution approving expenditure of funds up to \$10,000,000 to repair the damage to Hetch Hetchy facilities. (Klein)
11. Authorizing the General Manager of Public Utilities to negotiate and execute the First Amendment to the agreement with Brown, Vence and Associates to provide "as-needed" energy engineering services; increasing contract funding by \$290,000 for a total contract amount not to exceed \$690,000. (Klein)
12. Rejecting all bids for Hetch Hetchy Water and Power Contract WP-10R, Protective Relay Installation Specification No. M031911; and authorizing readvertisement for bids. (Klein)

## **WATER SUPPLY AND TREATMENT DIVISION**

**Cheryl Davis, Manager**

13. Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the San Francisco Airport Commission to allow the Airport to install two separate disinfection stations on San Francisco Public Utilities Commission lands. (Davis)

## **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

14. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of March 25, 1997. Proposed for continuance to April 22, 1997.) (Cockburn)
15. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of March 25, 1997. Proposed for continuance to April 22, 1997.) (Cockburn)
16. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of March 25, 1997. Proposed for continuance to April 22, 1997.) (Cockburn)
17. Approving a modification to the contract with Public Affairs Management, Contract No 96000087, extending the contract term to January 20, 1998 and increasing the contract funding by \$62,704. (Continued from the meeting of March 25, 1997.) (Cockburn)



UTILITIES ENGINEERING BUREAU (Continued)

18. Approving the final plans and specifications for Bureau of Engineering Contract Specification No. 1351N, to upgrade the Oceanside Water Pollution Control Plant Secondary Substation and provide the provisions for the connection of a future portable generator; and authorizing advertisement for bids. (Continued from the meeting of March 25, 1997.) (Cockburn)
19. Approving the final plans and specifications and authorizing bid call for San Francisco Water Department Contract No. WD-2225, Valving and Chlorination/Dechlorination Systems at San Antonio Pump Station. (Cockburn)
20. Authorizing the General Manager of Public Utilities to enter into a Utility Agreement with the State Department of Transportation to repair and relocate the existing fiber optic duct owned by the City and County of San Francisco near Selby Street, between Davidson Avenue and Evans Avenue. (Cockburn)
21. Authorizing the General Manager of Public Utilities to enter into an Amended Utility Agreement with the State Department of Transportation for the relocation of the City's sewerage system fiber optic duct at Sixth and Berry Streets. (Cockburn)
22. Accepting the work performed under Contract No. 1241N, El Mirasol Place Sewer Construction, as satisfactorily complete; approving Final Contract Modification in the credit amount of \$13,590.00; and authorizing final payment in the amount of \$4,970.00 to the contractor, Uniacke Construction, Inc. (Cockburn)
23. Approving Modification No. 10 to Clean Water Program Contract No. CTPW-9336526-01, Richmond Transport Facilities Project, increasing the construction contract with Shank/Balfour Beatty to an amount not to exceed \$2,516,724. (Cockburn)
24. Approving Modification No. 3 to Clean Water Program Contract No. CTPW-9336519-01, Richmond Transport Facilities Project; increasing the contract for construction management consultant, Haley and Aldrich, by a total of \$129,634. (Cockburn)

25. Approving Modification No. 1 to Clean Water Program Contract No. CTPW-90-46574, Rankin Pump Station and Southeast Water Pollution Control Plant Improvements Project, increasing the contract amount for construction management consultant, Haley and Aldrich, by a total of \$598,490 and extending the contract period by six (6) months. (Cockburn)
26. Approving Contract Modification No. 1 to Clean Water Program Contract No. CTPW-90-46575, Islais Creek Transport/Storage Facilities Contract "D" Construction Project; increasing the contract for construction management consultant, Haley and Aldrich, by a total of \$351,453 and extending the contract period by three (3) months. (Cockburn)

#### **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

27. Authorizing the extension of the water service contract with National Park Service for The Presidio to September 30, 1997. (Ritchie)
28. Authorizing the General Manager of Public Utilities to enter into a water service contract with the National Park Service for Fort Funston and Fort Mason. (Ritchie)

#### **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

29. Authorizing the General Manager of Public Utilities to reallocate \$67,500 in the Water Department's Operating Budget from "Professional Services" to "Services of Other Departments" to supplement the 1996-97 work order to the Real Estate Department. (Dowd)

## BUREAU OF WATER POLLUTION CONTROL

**William Keaney, Manager**

30. Authorizing the final contract modification and final payment to Protostar Computer Technology Inc. in the amount of \$1,934.00 to close out the contract 100 days prior to the June 30, 1997 expiration date. (Keaney)

### CLOSED SESSION

31. Public Comments on matters to be discussed in Closed Session.
32. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

34. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco  
Portion of Assessor's Block No. 3180  
Parties Negotiating: Dowd/Cohen  
Lessee: Undetermined  
Under Negotiation: Price and Terms

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

35. Announcement following Closed Session.

36. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



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8/97

# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

April 8, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

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## COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

## DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 1:07 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen  
  
Excused - Commissioner Robert K. Werbe
3. Approval of Minutes  
  
On motion by Commissioner Cook, seconded by Commissioner Caen, the Minutes of the Special Meeting of March 4, 1997 and the Minutes of the Regular Meeting of March 11, 1996 were approved (4-0) by unanimous vote.
4. Communications  
  
No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners  
  
Commissioner Makras commended Garrett Dowd, Manager, Bureau of Commercial Land Management for his prompt response to the Commission's request to explore the possibility of charging PUC lessees and permittees for untreated water supplied by the City. He said around \$60,000 additional revenues would be gained annually if staff billed fourteen tenants for water supplied to them.  
  
Commissioner Makras acknowledged receipt of the summary of Hetch Hetchy's interconnection agreement with Pacific Gas & Electric. He requested staff to provide the economic value of the contract.
6. Introduction of New Business by Commissioners  
  
There was no new business introduced by Commissioners.

7. Report of the General Manager

a. Presentation by Andrea Gourdine, Director of Human Resources.

Ms. Andrea Gourdine described the organizational structure of the Department of Human Resources. She discussed the department's areas of concern and how they were addressing them.

b. Presentation No. 6 - Regarding Electric Power Deregulation. (Klein)

Diane Grueneich of Grueneich Resource Advocates, gave a presentation using electronic slides. Ms. Grueneich discussed the current structure of the California State Public Utilities Commission, the agency that regulates investor owned utilities in California, and the changes to its structure due to deregulation. Ms. Grueneich also discussed Assembly Bill 1890, passed last year by the state legislature on electric restructuring.

c. Cost Sharing with the City of Santa Clara

Mr. Klein reported that the City concluded an agreement with the City of Santa Clara to share the cost of a consultant that would assist both agencies in electric deregulation matters.

d. Human Rights Commission Compliance Officer

Mr. Moran introduced Gary Wong who the Human Rights Commission assigned as Compliance Officer for the Public Utilities Commission.

8. Public Comments

There were none.

## REGULAR

9. **PUBLIC HEARING** - To consider amending the Rules and Regulations Governing Water Service to Customers.

There were no public comments.

Moved by Commissioner Caen, seconded by Commissioner Makras, to adopt Item 9, passed (4-0) unanimously.

Resolution No. 97-0090: Amending the Rules and Regulations Governing Water Service to Customers, deleting section D, Rule 6(d) (Allowances), to allow for more than one high bill adjustment in a twelve-month period.

10. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission on January 7, 1997.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 10, passed (4-0) unanimously.

Resolution No. 97-0091: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission on January 7, 1997 relating to the Floods of January 1997; approving the transfer of funds in the amount of \$10,000,000; and requesting the Board of Supervisors to adopt a resolution approving expenditure of funds up to \$10,000,000 to repair the damage to Hetch Hetchy facilities.

11. Authorizing an amendment to the agreement with Brown, Vence and Associates to provide "as-needed" energy engineering services.

Commissioner Makras stated that he intended to vote against the resolution. He said it was too early to request additional funding for this project when the contract was only half way through its four-year term. He suggested putting the contract out for bidding to allow other contractors to compete for the work.

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, explained that staff entered into a four-year contract to provide a continuity of service and to build on the original experience of the contractor. He said funds for this contract were allocated incrementally based on the nature of the work and availability of funds. He noted that the contract stipulates that staff would not authorize work unless it had been approved as part of the budgeting process.

Terry O'Sullivan, Project Manager, stated that staff was requesting additional funding as they had expended the initial funds.

Mr. Moran explained that the contract was awarded as an "as-needed" contract to deal with small portions of work that would be expensive to bid out on a case by case basis. He noted that \$400,000 was the initial amount allocated for the contract for the first year.

Commissioner Makras expressed concerns about the integrity of the bid process if a contract continues to be extended with the same contractor.

Commissioner Cook stated that he would move approval of the resolution to amend the contract at this time; however, he would like to see staff put out contracts for rebid in the future.

President Normandy stated that he would support approval of the item because the contract in place was awarded as an "as-needed" contract.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 11. Commissioner Makras voted No; passed (3-1).

Resolution No. 97-0092: Authorizing the General Manager of Public Utilities to negotiate and execute the First Amendment to the agreement with Brown, Vence and Associates to provide "as-needed" energy engineering services; increasing contract funding by \$290,000 for a total contract amount not to exceed \$690,000.

12. Rejecting all bids for Hetch Hetchy Water and Power Contract WP-10R, Protective Relay Installation.

Commissioner Makras expressed concerns about rejecting all bids because one bidder defaulted by delivering their bid to the wrong location. He noted the costs to the City of rebidding the contract. He suggested moving ahead with award of the contract to the low bidder.

Thomas M. Berliner, Utilities General Counsel, stated that the City Attorney's Office recommended rebidding of the contract to hold the integrity of the bid process and not expose the department to potential liability.

Mr. Klein noted that the lowest bidder, Thunder Electric, was determined to be unqualified to perform the type of job required for this contract and had not submitted additional qualifying experience to staff. He recommended awarding the bid to the second low bidder, Tri-Technic Inc.

Commissioner Makras suggested rejecting Item 12 and directed staff to return to the Commission with a recommendation to award the contract to the responsive bidder. He requested that staff affirm in writing that Thunder Electric does not meet the requirements of the bid.

Moved by Commissioner Makras, seconded by Commissioner Cook, to reject Item 12, passed (4-0) unanimously.

Resolution No. 97-0093: Rejecting staff's recommendation and directing staff to resubmit this contract for award to the lowest responsive bidder.

13. Authorizing a Memorandum of Understanding with the San Francisco Airport Commission.

Commissioner Caen suggested including the one time fee of \$4,300 in the Memorandum of Understanding.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 13 with the inclusion of the appropriate fee in the Memorandum of Understanding; passed (4-0) unanimously.

Resolution No. 97-0094: Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the San Francisco Airport Commission to allow the Airport to install two separate disinfection stations on San Francisco Public Utilities Commission lands.

Moved by Commissioner Cook, seconded by Commissioner Makras, to continue the following items numbered 14, 15, and 16 to April 22, 1997; passed (4-0) unanimously.

14. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of March 25, 1997.)
15. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of March 25, 1997.)
16. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids.  
(Continued from the meeting of March 25, 1997.)

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17. Approving a modification to the contract with Public Affairs Management.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 17, passed (4-0) unanimously.

Resolution No. 97-0095: Approving a modification to the contract with Public Affairs Management, Contract No 96000087, extending the contract term to January 20, 1998 and increasing the contract funding by \$62,704.

18. Approving the final plans and specifications for the Oceanside Water Pollution Control Plant Secondary Substation Project.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 18, passed (4-0) unanimously.

Resolution No. 97-0096: Approving the final plans and specifications for Bureau of Engineering Contract Specification No. 1351N, to upgrade the Oceanside Water Pollution Control Plant Secondary Substation and provide the provisions for the connection of a future portable generator; and authorizing advertisement for bids.



19. Authorizing bid call for San Francisco Water Department Contract No. WD-2225, Valving and Chlorination/Dechlorination Systems at San Antonio Pump Station.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 19, passed (4-0) unanimously.

Resolution No. 97-0097: Approving the final plans and specifications and authorizing bid call for San Francisco Water Department Contract No. WD-2225, Valving and Chlorination/Dechlorination Systems at San Antonio Pump Station.

On recommendation by President Normandy, Commissioner Cook moved, Commissioner Caen seconded, to adopt Items 20, 21, and 22, passed (4-0) unanimously.

20. Resolution No. 97-0098: Authorizing the General Manager of Public Utilities to enter into a Utility Agreement with the State Department of Transportation to repair and relocate the existing fiber optic duct owned by the City and County of San Francisco near Selby Street, between Davidson Avenue and Evans Avenue.
21. Resolution No. 97-0099: Authorizing the General Manager of Public Utilities to enter into an Amended Utility Agreement with the State Department of Transportation for the relocation of the City's sewerage system fiber optic duct at Sixth and Berry Streets.
22. Resolution No. 97-0100: Accepting the work performed under Contract No. 1241N, El Mirasol Place Sewer Construction, as satisfactorily complete; approving Final Contract Modification in the credit amount of \$13,590.00; and authorizing final payment in the amount of \$4,970.00 to the contractor, Uniacke Construction, Inc.

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23. Approving a modification to Clean Water Program Contract No. CTPW-9336526-01, Richmond Transport Facilities Project.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 23, passed (4-0) unanimously.

Resolution No. 97-0101: Approving Modification No. 10 to Clean Water Program Contract No. CTPW-9336526-01, Richmond Transport Facilities Project, increasing the construction contract with Shank/Balfour Beatty to an amount not to exceed \$2,516,724.

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On recommendation by President Normandy, the Commission discussed Items 24, 25, and 26 together.

Commissioner Caen stated that the extension periods requested were too long, particularly for Item 25 where staff requested a six-month extension.

Mr. Moran commented that the issue of construction management contracts could be referred to the consultants currently doing a study on professional services contracts.

Commissioner Cook moved to adopt Items 24, 25 and 26. The motion died for lack of a second. Mr. Cockburn stated that if the Commission did not vote to approve the extension, there would be no construction manager handling closeout services. President Normandy seconded.

Commissioner Makras expressed concerns about the six month extension and the high costs of the contract. He amended the time extensions to 90 days and requested that staff return to the Commission if additional time is needed.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Items 24, 25, and 26 as amended; passed (4-0) unanimously.

24. Resolution No. 97-0102: Approving Modification No. 3 to Clean Water Program Contract No. CTPW-9336519-01, Richmond Transport Facilities Project; increasing the contract for construction management consultant, Haley and Aldrich, by a total of \$129,634.

25. Resolution No. 97-0103: Approving Modification No. 1 to Clean Water Program Contract No. CTPW-90-46574, Rankin Pump Station and Southeast Water Pollution Control Plant Improvements Project, increasing the contract amount for construction management consultant, Haley and Aldrich, by a total of \$598,490 and extending the contract period by three (3) months.
26. Resolution No. 97-0104: Approving Contract Modification No. 1 to Clean Water Program Contract No. CTPW-90-46575, Islais Creek Transport/Storage Facilities Contract "D" Construction Project; increasing the contract for construction management consultant, Haley and Aldrich, by a total of \$351,453 and extending the contract period by three (3) months.

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27. Authorizing extension of the water service contract with the National Park Service for The Presidio.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 27, passed (4-0) unanimously.

Resolution No. 97-0105: Authorizing the extension of the water service contract with National Park Service for The Presidio to September 30, 1997.

28. Authorizing a water service contract with the National Park Service for Fort Funston and Fort Mason.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 28, passed (4-0) unanimously.

Resolution No. 97-0106: Authorizing the General Manager of Public Utilities to enter into a water service contract with the National Park Service for Fort Funston and Fort Mason.

29. Authorizing reallocation of \$67,500 to "Services of Other Departments" in the Water Department's Operating Budget.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 29, passed (4-0) unanimously.

Resolution No. 97-0107: Authorizing the General Manager of Public Utilities to reallocate \$67,500 in the Water Department's Operating Budget from "Professional Services" to "Services of Other Departments" to supplement the 1996-97 work order to the Real Estate Department.

30. Authorizing the final contract modification and final payment to Protostar Computer Technology Inc. in the amount of \$1,934.00 to close out the contract 100 days prior to the June 30, 1997 expiration date.

Item 30 was continued to a date not specified.

### **CLOSED SESSION**

31. Public Comments on matters to be discussed in Closed Session.

There were none.

32. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel; passed (4-0) unanimously.

The meeting recessed at 3:10 P.M.

The meeting reconvened into Closed Session. The Commission met in Closed Session from 3:25 P.M. to 4:50 P.M. to discuss the following matters:

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water  
Department property on Bernal Avenue in Alameda  
County.

No action was taken on Item 33.

34. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco  
Portion of Assessor's Block No. 3180  
Parties Negotiating: Dowd/Cohen  
Lessee: Undetermined  
Under Negotiation: Price and Terms

No action was taken on Item 34.

The Public Utilities Commission reconvened in public session.

35. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

36. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:52 P.M.

Romaine A. Boldridge  
Secretary



PUBLIC UTILITIES COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR.  
MAYOR

ANSON B. MORAN  
GENERAL MANAGER

HETCH HETCHY  
WATER AND POWER

SAN FRANCISCO  
WATER DEPARTMENT

SAN FRANCISCO  
CLEAN WATER PROGRAM

2/97  
NOTICE OF PUBLIC HEARING  
TO CONSIDER REVISED  
SCHEDULES OF RATES AND CHARGES  
TO BE CHARGED BY THE  
SAN FRANCISCO WATER DEPARTMENT  
AND THE CLEAN WATER PROGRAM

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Notice is hereby given that the Public Utilities Commission of the City and County of San Francisco will conduct a public hearing on Tuesday, April 22, 1997 at 1:00 p.m. in Room 402, 1155 Market Street, San Francisco, California to consider the adoption of revised Schedules of Rates and Charges for water service and water supplied by the San Francisco Water Department to its retail and wholesale customers including municipal accounts; to consider adoption of miscellaneous fees and charges for various permits and services provided by the San Francisco Water Department; and to consider a revised Schedule of Rates and Charges for sewerage service provided by the San Francisco Clean Water Program to its customers within and outside the City and County of San Francisco.

Copies of the proposals will be available for review beginning Monday, April 14, 1997 at the Fourth Floor of 1155 Market Street, San Francisco, California.

All interested parties are invited to attend the public hearing and present their views.

*Romaine A. Boldridge*  
Romaine A. Boldridge  
Secretary

wtrrate.ad





# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

April 22, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

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Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haigh Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue. Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Presentation regarding the Sunol Temple Restoration. (Coburn/Davis)
  - b. Presentation No. 7 - Regarding Electric Power Deregulation. (Klein)
  - c. Presentation on Contracting Goals. (Cockburn)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **BUREAU OF FINANCE**

**Steven Carmichael, Director**

9. **PUBLIC HEARING**

- a. To consider adoption of the revised schedule of rates to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas to be effective with meter readings made on or after July 1, 1997. (Laws)
- b. Ratifying a determination that the calculated rate adjustment for suburban resale water service being less than 1%, no adjustment in the rate for suburban resale water service is required; and confirming the current schedule of rates and charges for water service supplied by the San Francisco Water Department to its suburban resale customers will remain in effect. (Laws)

10. **PUBLIC HEARING** - To consider adoption of the revised schedule of rates to be charged by the Clean Water Program for retail sewer service in San Francisco to be effective with bills rendered on or after July 1, 1997. (Carey)

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

11. Authorizing the General Manager of Public Utilities to execute the sixth amendment to the agreement with Hooper, Hooper, Owen & Gould, for lobbying services, extending the term of the contract to September 30, 1998 and increasing contract funding by \$205,000, for a contract total not to exceed \$1,115,000. (Klein)

## **CUSTOMER SERVICE BUREAU**

**John P. Mullane, Manager**

12. Recommending to the Board of Supervisors an amendment to the San Francisco Administrative Code to allow the Public Utilities Commission Customer Services Bureau access to the Treasurer's Cash Difference and Overage Funds. (Mullane)

## **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

13. Authorizing the Manager of Water Supply & Treatment Division to negotiate and execute an agreement with Olivia Chen Consultants, Inc. for professional services to support the development and implementation of a Policy and Procedures Training Program in an amount not to exceed \$550,000 over two years. (Davis)
14. Ratifying the Declaration of Emergency made by the President of the Commission on January 14, 1997 for various facilities at the San Francisco Public Utilities Commission Water Treatment Plants and requesting the Board of Supervisors to approve the expenditure of \$3,100,000 to cover the costs of repairs and procurement of pumps, chemicals, and ancillary equipment.

## **WATER QUALITY DIVISION**

**Andrew DeGraca, Manager**

15. Authorizing the Manager of the Water Quality Division to negotiate and execute a professional MIS service agreement with EcoAnalysis, Inc. to develop a unified Laboratory Information Management System (LIMS) and bar coding at a cost not to exceed \$600,000 over a three year period; and authorizing the transfer of \$100,000 from the Bureau of Water Pollution Control "Other Current Expenses" and \$150,000 from the Water Quality Division "Equipment Maintenance" to "Professional and Specialized Services". (DeGraca)

## UTILITIES ENGINEERING BUREAU

**Robert T. Cockburn, Manager**

16. Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of April 8, 1997.) (Cockburn)
17. Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of April 8, 1997.) (Cockburn)
18. Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids. (Continued from the meeting of April 8, 1997.) (Cockburn)
19. Awarding Contract Specification No. 1370N, Ludlow Alley Sewer Replacement, in the amount of \$52,000.00 to the lowest bidder, K.J. Woods Construction, Inc. (Cockburn)
20. Awarding Contract Specification No. 1372N, Beach Street Sewer Replacement, in the amount of \$114,447.60 to the lowest bidder, Esquivel Grading and Paving, Inc. (Cockburn)
21. Awarding Contract Specification No. 1384N, Glover Street Sewer Replacement, in the amount of \$92,325 to the lowest bidder, Ramirez Engineering Corporation. (Cockburn)
22. Authorizing the Manager of Utilities Engineering Bureau to expedite construction of new wastewater utility lines and facilities, with a total project cost not to exceed \$800,000, as per agreement with the U.S. Department of Interior/National Park Service; by approving the final plans and specifications for Contract Specification No. 1106N, Western Presidio Drainage Improvements; and advertising for bids. (Cockburn)



## BUREAU OF COMMERCIAL LAND MANAGEMENT

**Garrett M. Dowd, Manager**

23. Authorizing the General Manager of Public Utilities to execute a lease with Pacific Bell Mobile Services, for use of approximately 225 square feet of space located on watershed land at the Runnymede Gate along the Interstate 280 Corridor in Woodside, California, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$2,000.00. (Dowd)
24. Authorizing the General Manager of Public Utilities to execute a lease with Pacific Bell Mobile Services, for use of approximately 225 square feet of space located on watershed land at the Trousdale Gate along the Interstate 280 corridor in Millbrae, California, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$1,800.00. (Dowd)
25. Authorizing the General Manager of Public Utilities to execute a lease, and any agreements or exhibits, including the Letter of Consent, with Sprint Spectrum, L.P., for the use of approximately 210 square feet of space on a portion of Crystal Springs Golf Course in Hillsborough, San Mateo County, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$1,800.00. (Dowd)
26. Authorizing the General Manager of Public Utilities to execute a lease, and any agreements or exhibits, including the Letter of Consent, with Sprint Spectrum, L.P., for use of approximately 300 square feet of space located on the watershed land at the Trousdale Gate along the Interstate 280 corridor in Millbrae, California, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$1,800.00. (Dowd)



## BUREAU OF ENVIRONMENTAL REGULATION AND MANAGEMENT

Steven Medbery, Manager

27. Authorizing the Bureau of Environmental Regulation and Management to select a laboratory services consultant from a list of ranked finalists and to negotiate and execute a contract with Sequoia Analytical, or if not successful , sequentially as necessary.  
(Medbery)

### CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.
29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Sullivan/Dowd)

Anticipated Litigation: As Defendant  
Regarding Crystal Springs Golf Partners, L.P.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

33. Announcement following Closed Session.
34. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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### REGULAR MEETING

April 22, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:12 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

3. Approval of Minutes

On motion by Commissioner Cook, seconded by Commissioner Caen, the Minutes of the Regular Meetings of March 25, 1996 and April 8, 1996 were approved (5-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

Commissioner Makras asked whether staff had developed a policy regarding access to tape recordings of Public Utilities Commission closed sessions. President Normandy directed the Commission Secretary to consult with the appropriate parties, develop a policy and schedule it for the PUC agenda as soon as possible.

Commissioner Makras suggested that in the interim, the Commission Secretary should obtain the consent of the President of the Commission before an individual is allowed to listen to the tapes. The members of the Commission concurred.

7. Report of the General Manager

- a. Presentation regarding the Sunol Temple Restoration.

Cheryl Davis, Manager of Water Supply & Treatment Division, reported that staff had yet to determine the level of restoration and adjustments to be made on quarrying activities. She said that staff was working on finding funding

resources for the restoration and that \$1.2 million was available in the FY 96-97 budget to begin restoration of the temple.

Lena Chen, Project Manager, showed electronic slides of the site and the temple. She discussed the different restoration options prepared by staff. She stated that the estimated costs of restoration ranged from \$3.1 million to \$4.4 million depending on which option was chosen by the Commission. She said that staff recommended that the temple be restored to the fullest extent and that the gate and the landscape be restored to their original design.

Ed Stewart, Watershed Resources Manager, discussed the watershed management preferred alternative adopted by the Commission and how it relates to the restoration of the Sunol Water Temple.

Commissioner Makras expressed his desire to speed up the process of restoration. He suggested that staff prepare an action plan on what should be done, how it should be done and how much it would cost to restore the temple.

Commissioner Werbe noted that he would like to see the funding of this project come from real estate activities rather than from ratepayers.

Commissioner Normandy noted that all of the funding for this project would not come from ratepayers. He stated that state and federal agencies, the citizens of Sunol and other members of the public have expressed a willingness to help fund the restoration.

Mr. Moran noted that staff would return to the Commission with a financing plan that identifies real estate revenues as a source of funds. President Normandy suggested that staff also prepare a delineation of costs and benefits of the project.

Patricia Stillman, Save our Sunol, expressed her appreciation of the Commission's desire to speed up the project.

- b. Presentation No. 7 - Regarding Electric Power Deregulation.

The presentation was continued to the next meeting.

- c. Presentation on Contracting Goals.

Item 7c was continued to the next meeting.



d. Ridge Trail

Mr. Moran reported that the Board of Supervisors approved Supervisor Tom Ammiano's resolution asking that the Public Utilities Commission increase recreational access to the watershed as soon as possible. He said the Board of Supervisors asked PUC to return to the Board within 30 days to provide a status report. The status report will be presented to the Commission as well.

8. Public Comments

There were none.

## REGULAR

- 9.a. PUBLIC HEARING - To consider adoption of the revised schedule of rates to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas to be effective with meter readings made on or after July 1, 1997.

William Laws, Rate Administrator, presented staff's recommendations for retail and suburban resale water rates using electronic slides.

Mr. Laws reported that the beginning unappropriated balance for FY 1997-98 would be \$14.5 million. That balance would be reduced by the end of the fiscal year to \$7.8 million due to operating expenses exceeding revenues by \$6.7 million. He noted that raising rates alone may not be sufficient to reach our goals and meet obligations. We have to look at other financial strategies to meet bond coverage and operating requirements.

Mr. Laws presented three rate plans for FY 1997-98: Option 1 would be no rate increase; Option 2 would be a 6.25% increase; and Option 3 would be a 9% increase. The three options all anticipate a 9% rate increase each year from FY 1998-99 through FY 2001-02. He said staff was also recommending adoption of a multiple year strategy of retail rate setting and retaining the current miscellaneous charges and fees.

Mr. Moran commented that staff presented Option 1 to test the result of no rate increase on the budget. Option 2 would maintain the 2-times debt coverage recommended by bond counsel. Option 3 would levelize rate increases to fund capital programs through year 2001-02. He said all of the options met the criteria for cash needs and would produce reserves at the end of the fiscal year.

Staff and the Commission engaged in discussion over debt service coverage. Commissioner Caen pointed out that our bond rating was lowered by Standard & Poor's (S&P) in a year that our debt service ratio was higher than two times; therefore, debt service ratio may not be of significance and a reserve of that number not necessary.

Commissioner Werbe expressed the opinion that while he did not want to raise the water rate; he would be willing to raise it 2% this year to keep up with inflation.

Bob Begley, Executive Director of the San Francisco Hotel Council, spoke in opposition to a rate increase.

Holger Gantz, General Manager of the San Francisco Hilton, commented in opposition to a rate increase and suggested cutting overhead expenses and allocating the savings to capital projects.

Commissioner Makras stated that he would support a zero rate increase for FY 97-98 as it would not be prudent to raise water rates to maintain cash reserves. He stated that a zero rate increase for next fiscal year would be more prudent as it would be an opportunity to let ratepayers know that the Public Utilities Commission can deliver water on a leaner budget without any risks to the system.

Commissioner Makras stated that he was not supportive of the 9% multiple year rate plan. The Commission agreed not to address a multiple-year rate plan at this time.

Moved by Commissioner Makras, seconded by Commissioner Werbe, not to increase the water rates for retail water service for FY 97-98; passed (5-0) unanimously.

Resolution No. 97-0108: Confirming that projected revenues under existing rates together with other funds available to the San Francisco Water Department will be sufficient to meet projected operating requirements for the fiscal year beginning July 1, 1997 and that no adjustment is required in the rates and charges for water service and water supplied by the San Francisco Water Department for retail water service within the City and County of San Francisco and suburban areas.

- 9.b. PUBLIC HEARING - To consider the adoption of the current schedule of rates and charges for water service supplied by the San Francisco Water Department to its suburban resale customers.

Arthur M. Jensen, General Manager of the Bay Area Water Users Association, suggested that the Commission look at different rate scenarios to determine what level of service could be provided and which capital programs could be funded in the next five years.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt a resolution that does not increase water rates for suburban resale water service; passed (5-0) unanimously.

Resolution No. 97-0109: Ratifying a determination that the calculated rate adjustment for suburban resale water service being less than 1%, no adjustment in the rate for suburban resale water service is required; and confirming the current schedule of rates and charges for water service supplied by the San Francisco Water Department to its suburban resale customers will remain in effect.

10. PUBLIC HEARING - To consider adoption of the revised schedule of rates to be charged by the Clean Water Program for retail sewer service in San Francisco to be effective with bills rendered on or after July 1, 1997.

Ann Carey of the Bureau of Finance, presented staff's recommendation for retail sewer service charges using electronic slides. Staff's recommendations were to increase average residential accounts by 4% and the average commercial industrial rate by 3.5%. These adjustments would result in projected revenues from sewer charges of \$144 million next year.

Nathan Ratner, member of the Mayor's Task Force on Waste Water, urged the Commission not to increase the sewer rate for this year and suggested keeping expenditures down.

Holger Gantz of the San Francisco Hilton, commented against increasing sewer service charges next year. He stated that the hotel industry had received a 275% increase in sewer rates over the last 10 years.

Commissioner Makras suggested adopting a zero rate increase on sewer service charges next year. To balance the budget, he suggested delaying some of the capital programs, cutting the budget by \$2.4 million, or reducing the lifeline rate from 3 units to 2 units. Ms. Carey stated that reducing the lifeline rate for the first

three units of consumption would generate additional revenues at the current rate. However, it would only affect residential ratepayers particularly the elderly and people on fixed or low incomes. Ms. Carey said that the reduction of life line from 3 to 2 units would yield \$10.8 million additional revenue whereas the proposed rate increase would yield \$8.4 million.

Commissioner Werbe moved not to raise the sewer service charges for next year. Commissioner Makras seconded.

Commissioner Makras suggested that staff return to the Commission with a plan to amend the budget to reflect no increase in sewer charges and to identify the areas where expenditures could be reduced.

Commissioner Werbe requested Mr. Nathan Ratner to submit his suggestions regarding efficiencies to staff.

As suggested by President Normandy, Commissioner Werbe and Commissioner Makras withdrew their motion to adopt a zero rate increase. President Normandy recommended continuing this item to the next regular meeting of the Commission to allow time for staff to prepare a management plan based on a zero rate increase. He requested Mr. Ratner to submit to staff any proposals the Mayor's Task Force had on how expenditures could be reduced by \$6 million. Staff was also directed to submit their recommendations on how these proposals could be accomplished.

Moved by Commissioner Cook, seconded by Commissioner Caen, to continue Item 10 to the next regular meeting on May 13, 1997; passed (5-0) unanimously.

On recommendation by President Normandy, the Commission took the calendar out of order to discuss the Closed Session agenda first.

## **CLOSED SESSION**

28. Public Comments on matters to be discussed in Closed Session.

There were none.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to assert the attorney-client privilege regarding the matters listed as Conference with Legal Counsel under the Closed Session agenda; passed (5-0) unanimously.

The meeting recessed at 3:50 p.m.

The meeting reconvened in Closed Session at 3:55 p.m. The Public Utilities Commission met in Closed Session until 5:00 p.m. to discuss the following matters:

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

No action was taken on Item 30.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Crystal Springs Golf Partners, L.P.

Item 31 was continued.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

Item 32 was continued.

At 5:05 p.m. the meeting reconvened in public session.



33. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken by the Commission during the Closed Session.

34. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussion during the Closed Session; passed (5-0) unanimously.

The Commission resumed discussion of the regular agenda.

11. Authorizing an amendment to the agreement with Hooper, Hooper, Owen & Gould, for lobbying services.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 11, passed (5-0) unanimously.

Resolution No. 97-0110: Authorizing the General Manager of Public Utilities to execute the sixth amendment to the agreement with Hooper, Hooper, Owen & Gould, for lobbying services, extending the term of the contract to September 30, 1998 and increasing contract funding by \$205,000, for a contract total not to exceed \$1,115,000.

12. Recommending to the Board of Supervisors an amendment to the San Francisco Administrative Code to allow the Public Utilities Commission Customer Services Bureau access to the Treasurer's Cash Difference and Overage Funds.

Item No. 12 was continued to May 13, 1997.

13. Authorizing the Manager of Water Supply & Treatment Division to negotiate and execute an agreement with Olivia Chen Consultants, Inc. for professional services to support the development and implementation of a Policy and Procedures Training Program in an amount not to exceed \$550,000 over two years.

Commissioner Caen expressed concerns about a comment made by one member of the panel that Olivia Chen Consultants, Inc. lacked training development experience. She added that Olivia Chen's estimated cost of the project was also \$29,000 higher. Dale Newkirk responded that the comment was made by one

member of the panel and not a consensus opinion of the whole panel.  
Commissioner Makras stated that training development experience was significant in this project since the consultant was being retained to develop a training program.

President Normandy recommended continuance of the item to the next meeting so that staff could address the concerns of the Commission.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to continue Item No. 13 to the regular meeting on May 13, 1997; passed (5-0) unanimously.

14. Ratifying the Declaration of Emergency for various Water Treatment Plants and requesting approval to expend funds.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 14, passed (5-0) unanimously.

Resolution No. 97-0111: Ratifying the Declaration of Emergency made by the President of the Commission on January 14, 1997 for various facilities at the San Francisco Public Utilities Commission Water Treatment Plants and requesting the Board of Supervisors to approve the expenditure of \$3,100,000 to cover the costs of repairs and procurement of pumps, chemicals, and ancillary equipment.

15. Authorizing a professional MIS service agreement with EcoAnalysis, Inc. to develop a unified Laboratory Information Management System (LIMS).

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 15, passed (5-0) unanimously.

Resolution No. 97-0112: Authorizing the Manager of the Water Quality Division to negotiate and execute a professional MIS service agreement with EcoAnalysis, Inc. to develop a unified Laboratory Information Management System (LIMS) and bar coding at a cost not to exceed \$600,000 over a three year period; and authorizing the transfer of \$100,000 from the Bureau of Water Pollution Control "Other Current Expenses" and \$150,000 from the Water Quality Division "Equipment Maintenance" to "Professional and Specialized Services".



Moved by Commissioner Makras, seconded by Commissioner Werbe to adopt Items Numbered 16 through 22; passed (5-0) unanimously.

16. Resolution No. 97-0113: Approving the final plans and specifications for Contract Specification No. 1405N, Natoma Street Sewer Replacement, and authorizing advertisement for bids.
17. Resolution No. 97-0114: Approving the final plans and specifications for Contract Specification No. 1421N, Green Street Sewer Replacement, and authorizing advertisement for bids.
18. Resolution No. 97-0115: Approving the final plans and specifications for Contract Specification No. 1422N, Lyon Street Sewer Replacement, and authorizing advertisement for bids.
19. Resolution No. 97-0116: Awarding Contract Specification No. 1370N, Ludlow Alley Sewer Replacement, in the amount of \$52,000.00 to the lowest bidder, K.J. Woods Construction, Inc.
20. Resolution No. 97-0117: Awarding Contract Specification No. 1372N, Beach Street Sewer Replacement, in the amount of \$114,447.60 to the lowest bidder, Esquivel Grading and Paving, Inc.
21. Resolution No. 97-0118: Awarding Contract Specification No. 1384N, Glover Street Sewer Replacement, in the amount of \$92,325 to the lowest bidder, Ramirez Engineering Corporation.
22. Resolution No. 97-0119: Authorizing the Manager of Utilities Engineering Bureau to expedite construction of new wastewater utility lines and facilities, with a total project cost not to exceed \$800,000, as per agreement with the U.S. Department of Interior/National Park Service; by approving the final plans and specifications for Contract Specification No. 1106N, Western Presidio Drainage Improvements; and advertising for bids.

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Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Items numbered 23, 24, 25 and 26; passed (5-0) unanimously.

23. Resolution No. 97-0120: Authorizing the General Manager of Public Utilities to execute a lease with Pacific Bell Mobile Services, for use of approximately 225 square feet of space located on watershed land at the Runnymede Gate along the Interstate 280 Corridor in Woodside, California, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$2,000.00.
24. Resolution No. 97-0121: Authorizing the General Manager of Public Utilities to execute a lease with Pacific Bell Mobile Services, for use of approximately 225 square feet of space located on watershed land at the Trousdale Gate along the Interstate 280 corridor in Millbrae, California, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$1,800.00.
25. Resolution No. 97-0122: Authorizing the General Manager of Public Utilities to execute a lease, and any agreements or exhibits, including the Letter of Consent, with Sprint Spectrum, L.P., for the use of approximately 210 square feet of space on a portion of Crystal Springs Golf Course in Hillsborough, San Mateo County, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$1,800.00.
26. Resolution No. 97-0123: Authorizing the General Manager of Public Utilities to execute a lease, and any agreements or exhibits, including the Letter of Consent, with Sprint Spectrum, L.P., for use of approximately 300 square feet of space located on the watershed land at the Trousdale Gate along the Interstate 280 corridor in Millbrae, California, as communications site for a Personal Communication Service System Facility at a monthly rental rate of \$1,800.00.

\*\*\*\*\*

27. Authorizing the selection of a laboratory services consultant.

Moved by Commissioner Werbe, seconded by Commissioner Makras, to adopt Item 27, passed (5-0) unanimously.

Resolution No. 97-0124: Authorizing the Bureau of Environmental Regulation and Management to select a laboratory services consultant from a list of ranked finalists and to negotiate and execute a contract with Sequoia Analytical, or if not successful, sequentially as necessary.

Thereupon, the meeting was adjourned: 5:32 P.M.

Romaine A. Boldridge  
Secretary

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# **AGENDA**

## **PUBLIC UTILITIES COMMISSION**

### **CITY AND COUNTY OF SAN FRANCISCO**

Willie L. Brown, Jr.  
MAYOR

\*  
**SPECIAL MEETING**

April 25, 1997

1:30 P.M.

1155 Market Street, Fourth Floor

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PUBLIC LIBRARY

#### **COMMISSIONERS**

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

#### **DEPARTMENTS**

Water Department  
Hetch Hetchy  
Clean Water Program

#### **BUREAUS**

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

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### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

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### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

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If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call

### CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

6. Announcement following Closed Session.
7. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT





SAN FRANCISCO PUBLIC UTILITIES  
COMMISSION

April 25, 1997  
Special Meeting

There are no minutes available for this meeting



# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### \* SPECIAL MEETING

April 29, 1997

3:00 P.M.

1155 Market Street, Fourth Floor

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

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PUBLIC LIBRARY

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

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If you require assistance in evacuating, please request the aid of PUC staff.

## **ORDER OF BUSINESS**

1. Call to Order
2. Roll Call

### **CLOSED SESSION**

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

6. Announcement following Closed Session.
7. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



**MINUTES**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

Willie L. Brown, Jr.  
MAYOR

**SPECIAL MEETING**

April 29, 1997

3:00 P.M.

1155 Market Street, Fourth Floor

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MAY 08 1997

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PUBLIC LIBRARY

**COMMISSIONERS**

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

**DEPARTMENTS**

Water Department  
Hetch Hetchy  
Clean Water Program

**BUREAUS**

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 3:05 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

## CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.

There were none.

4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel, passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:10 P.M. to 5:45 P.M. to discuss the following:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water  
Department property on Bernal Avenue in Alameda  
County.

The Public Utilities Commission reconvened in public session.

6. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced that no action was taken during the Closed Session.

7. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Werbe, seconded by Commissioner Cook, not to disclose the discussions during the Closed Session, passed (5-0) unanimously.

Thereupon, the meeting was adjourned: 5:46 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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#### REGULAR MEETING

MAY 08 1997

SAN FRANCISCO  
PUBLIC LIBRARY

May 13, 1997

**2:00 P.M.**

Room 402  
1155 Market Street, Fourth Floor

#### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
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Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

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## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Update on the Bay Area Ridge Trail. (Moran)
  - b. Presentation on Contracting Goals. (Continued from the meeting of April 22, 1997.) (Cockburn)
  - c. Presentation No. 7 - Regarding Electric Power Deregulation. (Continued from the meeting of April 22, 1997. Proposed for continuance to May 27, 1997.) (Klein)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **BUREAU OF FINANCE**

**Steven Carmichael, Director**

9. PUBLIC HEARING - To consider adoption of the revised schedule of rates to be charged by the Clean Water Program for retail sewer service in San Francisco to be effective with bills rendered on or after July 1, 1997. (Continued from the meeting of April 22, 1997.) (Carey)
10. Approving Amendment No. 1 to the State Revolving Fund Loan Contract with the State Resources Control Board for the Islais Creek (A) Project of the Clean Water Program, revising the maximum loan amount to \$5,705,652. (Carey)

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

11. Hearing regarding livestock grazing options for the Watershed Management Plan Preferred Alternative. (Stewart)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

12. Awarding Hetch Hetchy Contract WP-10, Protective Relay Installation, to Tri-Technic Inc. in the amount of \$663,635. (Klein)
13. Authorizing the General Manager of Hetch Hetchy Water & Power to execute an Energy Services Agreement with the State of California for purchase of natural gas for one year renewable on an annual basis. (Klein)



## **CUSTOMER SERVICE BUREAU**

**John P. Mullane, Manager**

14. Recommending to the Board of Supervisors an amendment to the San Francisco Administrative Code to allow the Public Utilities Commission Customer Services Bureau access to the Treasurer's Cash Difference and Overage Funds. (Continued from the meeting of April 22, 1997.) (Mullane)
15. Approving the distribution of 490 ultra low-flow toilets to the Northridge Co-op Homes and Ridgeview Terrace Ltd. for installation in low-income housing units within the Bayview/Hunters Point Neighborhood. (Knox)

## **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

16. Authorizing the Manager of Water Supply & Treatment Division to negotiate and execute an agreement with Olivia Chen Consultants, Inc. for professional services to support the development and implementation of a Policy and Procedures Training Program in an amount not to exceed \$550,000 over two years. (Continued from the meeting of April 22, 1997.) (Davis)
17. Authorizing the General Manager of Public Utilities to renew and execute Joint Funding Agreements with the United States Geological Survey (USGS) in a cooperative program to construct, operate and maintain streamgauging stations on Alameda Creek, Arroyo Hondo and Pilarcitos Creek in an amount not to exceed \$100,000 annually for a five year period. (Davis)
18. Ratifying the Declaration of Emergency for Standby Power at Harry Tracy Water Treatment Plant made by the President of the Commission; authorizing the transfer of \$150,000 from Rehab/Upgrade Water Treatment Facilities to Standby Power Facilities Project; and requesting the Board of Supervisors to approve expenditure of funds in the amount of \$600,000. (Davis)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

19. Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to enter into a two-year contract with Hydroconsult Engineers for an amount not to exceed \$497,000 to perform hydraulic/hydrologic modeling for projects associated with the 1994 Sewer Revenue Bond Program, the Recycled Water Master Plan and NPDES permit compliance. (Ritchie)
20. Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to extend four existing contracts with Hydroconsult Engineers: Contract 90-15046 - Bay Treatment Alternatives; Contract No. 96000044 - Western Presidio Sewer Improvements; Contract No. 96000045 - Rankin Pump Station, Contract 1; Contract No. 96000257 - Southwest Ocean Outfall, for one year ending June 30, 1998 at no additional cost. (Ritchie)

## **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

21. Authorizing bid call for Hetch Hetchy Water & Power Contract No. HH-846, Early Intake Sluice Gates Replacement. (Cockburn)
22. Rejecting all bids received for Hetch Hetchy Water & Power Contract No. HH-819R, Moccasin Powerhouse Static Excitation System Retrofit; and authorizing readvertisement for bids as Contract No. HH-819R1. (Cockburn)
23. Awarding San Francisco Water Department Contract No. WD-2127, 8-Inch Ductile Iron Main Installation in Battery Street between Vallejo and Lombard Streets and in Jackson Street between Stockton and Kearny Streets; and 6-Inch Ductile Iron Main Installation in Wentworth Street to the lowest responsive bidder, P & J Utility Co., in the amount of \$316,850. (Cockburn)

24. Accepting the work performed under San Francisco Water Department Contract No. WD-2134, Summit Pump Station Standby Generator and Related Work as complete; approving Contract modification No. 3 in the credit amount of \$3,618.59; and approving final payment to the contractor, Cresci Electric, Inc., in the amount of \$716.58. (Cockburn)
25. Rejecting all bids received for San Francisco Water Department Contract No. WD-2179, Alemany Pump Station Standby Generator and Related Work; and authorizing readvertisement as Contract No. WD-2179R. (Cockburn)
26. Awarding San Francisco Water Department contract No. WD-2194, 6- and 8-Inch Ductile Iron Main Installation in 11th Street, 12th Street, and other streets between Bryant Street and Howard Street to the second low bidder, E. Mitchell, Inc. in the amount of \$539,955.00. (Cockburn)
27. Authorizing bid call for San Francisco Water Department Contract No. WD-2228, BDPL Nos. 1 and 2 Timber Trestle Repairs - Contract 3 of 5. (Cockburn)
28. Approving Contract Modification No. 2 in the amount of \$190,656.06 for Utilities Engineering Bureau Contract 1204N, Central Viaduct Retrofit Sewer Relocation; and requesting the Mayor to recommend to the Board of Supervisors to approve the contract modification cost increase. (Cockburn)
29. Authorizing bid call for Utilities Engineering Contract Specification 1202N, North Point Water Pollution Control Plant Improvements - Phase 2. (Cockburn)
30. Authorizing bid call for Utilities Engineering Contract Specification 1245N, Yosemite/Egbert Sewer Enlargement Project. (Cockburn)
31. Awarding Utilities Engineering Bureau Contract 1376N, Jackson Street Sewer Replacement in the amount of \$122,313 to Ramirez Engineering Corporation as the lowest responsive bidder. (Cockburn)
32. Authorizing bid call for Utilities Engineering Contract Specification 1414N, Treat Avenue and 22nd Street Sewer Replacement. (Cockburn)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

33. Approving a three year lease for 4,000 sq. ft. of office space at 1212 Market Street at an annual rate of \$67,800 with two one year options to renew. (Dowd)
34. Approving a permit to the County of San Mateo for vehicular access in conjunction with the Crystal Springs Trail Day race on May 31, 1997. (Dowd)
35. Approving a permit to Metropolitan Fiber Systems of California, Inc. dba Metropolitan Fiber Systems of San Jose for one 4-inch telecommunication conduit within the Permit Area located in Mountain View, Santa Clara County. (Dowd)
36. Approving Assignment and Assumption of Lease and Consent to Assignment of approximately .28 acres of land to Gan Haw Ent., Inc., a California partnership, as Assignee, for parking, landscaping and playground purposes at a monthly rental rate of \$370.99 per month commencing retroactively to June 20, 1995 and terminating February 28, 1999. (Dowd)
37. Declaring certain property in Santa Clara County, totaling 4,885 square feet, should be sold; and authorizing the Director of Property to proceed with the sale and to prepare and submit legislation to the Board of Supervisors for the conveyance of an access easement to the Santa Clara County Transit District. (Dowd)

## **BUREAU OF ENVIRONMENTAL REGULATION AND MANAGEMENT**

**Steven Medbery, Manager**

38. Requesting the Mayor to amend the FY97/98 Public Utilities Commission budget to include a \$17,900 work order to the San Francisco Agricultural Commissioner for the purpose of complying with the Pesticide Management Ordinance. (Medbery)

## CLOSED SESSION

39. Public Comments on matters to be discussed in Closed Session.
40. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

### SPECIAL ORDER OF BUSINESS AT 4:30 P.M. - Item 41

41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

42. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Sullivan/Dowd)

Anticipated Litigation: As Defendant  
Regarding Crystal Springs Golf Partners, L.P.

43. Personnel Matter - Pursuant to Government Code Section 54957:

Public Employee Discipline/Grievance:                      Number of Employees Affected: 1

44. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

45. Announcement following Closed Session.

46. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

# MINUTES

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

DOCUMENTS DEPT.

MAY 23 1997

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PUBLIC LIBRARY

### REGULAR MEETING

May 13, 1997

2:00 P.M.

Room 402

1155 Market Street, Fourth Floor

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 2:10 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook, Commissioner Ann Moller Caen
3. Approval of Minutes

On motion by Commissioner Werbe, seconded by Commissioner Cook, the Minutes of the Regular Meeting of April 22, 1997 were approved as amended (5-0) by unanimous vote.

On motion by Commissioner Caen, seconded by Commissioner Werbe, the Minutes of the Special Meeting of April 29, 1997 were approved (5-0) by unanimous vote.
4. Communications

No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Makras inquired about the two permits issued to PG&E for scientific research in which the City waived the permit fees. He stated that usually permit fees for scientific research are waived only for schools and government agencies and not for profit making organizations like PG&E. Mr. Moran responded that staff would review the two permits and the department's existing permit policy and return to the Commission to report their findings.
6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

a. Update on the Bay Area Ridge Trail.

The Board of Supervisors passed a resolution asking the Public Utilities Commission to open the watershed to compatible uses specifically to the Bay Area Ridge Trail's proposal. In response to this, Mr. Moran stated that staff would proceed to take the Bay Area Ridge Trail Council's proposal through an Environmental Impact Report process, and define a means of access that could meet the requirements for a negative declaration under the California Environmental Quality Act (CEQA). Staff would report to the Commission at the next meeting regarding the progress of the proposal.

b. Presentation on Contracting Goals. (Continued from the meeting of April 22, 1997.)

Robert T. Cockburn, Manager of Utilities Engineering Bureau, gave a presentation using an overhead projector regarding a study on the MBE/WBE/LBE participation in PUC contracts. He said that the study analyzed all construction, architectural and engineering contracts let by the Public Utilities Commission and the Clean Water Enterprise for the last two years.

Mr. Cockburn commented that staff identified three areas which could be explored to encourage wider minority participation: prompt payment, the waiver of bond and insurance requirements, and unforeseen risks that cause project delays.

Staff will return to the Commission with a recommendation on increasing minority participation goals by 50%.

c. Presentation No. 7 - Regarding Electric Power Deregulation. (Continued from the meeting of April 22, 1997.)

Item 7c was continued to the next regular meeting scheduled on May 27, 1997.

d. Upcoming Events

Anson Moran, General Manager of Public Utilities, reported that there would be a watershed festival at the Golden Gate Park on Saturday, May 17, 1997. The Sunol/ PUC Working Group also invited the Commission to a reception and a tour to the Sunol Temple on June 7, 1997.

e. Awards

William Keaney, Manager of the Water Pollution Control Division, announced that Water Pollution Control received three awards from the California Water Environment Association. Charles Larkin, a maintenance employee, was awarded the "Plant Maintenance Technician of the Year". The Oceanside Water Treatment Plant was selected the "Largest Water Treatment Plant of the Year". The Engineering Research Project won "The Research Achievement of the Year Award."

Steven Medbery, Manager of the Division of Environmental Regulation and Management, announced that the California Water Environment Association awarded Daniel Rourke as the "Industrial and Hazardous Waste Person of the Year" for his achievement in promoting pollution prevention locally and regionally. The Water Pollution Prevention Program received the "National Public Education Award" from the Association of Metropolitan Sewer Agencies for being innovative, progressive and multilingual.

8. Public Comments

There were no public comments.

## REGULAR CALENDAR

9. PUBLIC HEARING - To consider adoption of the revised schedule of rates to be charged by the Clean Water Program for retail sewer service in San Francisco to be effective with bills rendered on or after July 1, 1997. (Continued from the meeting of April 22, 1997.)

Ann Carey of the Finance Bureau, responded to concerns raised by the Commission at the last meeting regarding reducing the residential lifeline allocation from three to two units, deferring capital programs to reduce debt service requirements and looking for additional savings in the FY 1997-98 operation and maintenance budgets. Ms. Carey stated that reducing the lifeline allocation would generate \$10.7 million in additional revenues; however, these revenues would only come from residential customers. She said deferring capital programs would result in costly repair needs in the future. Regarding the FY 97-98 budget, she stated that the budget presented to the Commission was already \$2.2 million less than last year's budget.

Ms. Carey stated that staff was proposing a 3.5% increase in sewer service charges for residential customers over the next two years and 3% in the subsequent years.

Mr. Moran noted that the Clean Water Enterprise budget presented to the Commission already reflects reductions in the areas raised by the Commission and the Waste Water Task Force. It also reflects the final accounting of the shifting of functions of the Clean Water Enterprise from the Department of Public Works to the PUC.

The following individuals commented in support of a 0% increase to sewer service charges: Nathan Ratner, member of the Citizen Advisory Committee on Wastewater and the Mayor's Task Force on Waste Water; Scott Hauge, representing the Small Business Network of San Francisco; Don Timbie of the Palace Hotel; Holger Gantz, General Manager of the San Francisco Hilton; Bob Begley representing the San Francisco Hotel Council; Robert G. Lee; and Richard Bodisco.

Commissioner Makras commended staff for doing a good job in responding to the concerns of the Commission and the public. He stated that he would advocate a zero rate increase for the coming year as there were no indications from staff or the public that a zero percent increase in sewer rates would jeopardize any of the Clean Water programs. He requested staff to submit a recommendation on how to reduce the operating budget of the Clean Water Enterprise.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt a 0% increase, passed (5-0) unanimously.

Resolution No. 97-0125: Adopting a 0% increase in the average residential account and a 0% increase in the average commercial/industrial rate account as enumerated in the Schedule of Rates and Charges for sewerage service in San Francisco and suburban areas effective with all bills rendered on or after July 1, 1997.

10. Approving an amendment to the State Revolving Fund Loan Contract with the State Resources Control Board.

President Normandy was excused from 3:45 to 3:50 p.m. Commissioner Makras chaired the meeting.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 10, passed (4-0) unanimously.

Resolution No. 97-0126: Approving Amendment No. 1 to the State Revolving Fund Loan Contract with the State Resources Control Board for the Islais Creek (A) Project of the Clean Water Program, revising the maximum loan amount to \$5,705,652.

11. Hearing regarding livestock grazing options for the Watershed Management Plan Preferred Alternative.

Sheila Barry of the Alameda County Resource Conservation District, gave a presentation using a slide projector to accompany the written report submitted to the Commission entitled "Hazard Analysis of Critical Control Points (HACCP) Based Water Quality Program to Control Cryptosporidium and Other Waterborne Pathogens in the Alameda Watershed". The report proposes a comprehensive program for water quality, watershed protection and fire protection in the watershed.

Steve Leonard, Manager, Hetch Hetchy Water Treatment Improvement Program, recommended taking short term solutions until the Water Quality staff had assessed the watershed situation including removal of calves from the watershed, fencing of sensitive areas, moving feeding areas and salt licks farther away from the reservoir and water supply, and continue reducing feral pigs population.

President Normandy stated that he would accept the HAACP plan as submitted but he would like the group to return to the Commission with an action plan to reduce the risk of waterborne pathogens and identify steps that could be taken concerning grazing leases.



The following individuals commented in support of the HAACP Plan: Marguerite Young, Program Director for Clean Water Action; Bruce Blodgett, California Bureau Farm Federation; and George Gough, California Cattlemen's Association.

Mr. Tony Leone of Alice B. Toklas, Lesbian & Gay Democratic Club, urged the Commission to think of ways to reduce the source of cryptosporidium and consider an adequate water filtration system for the City.

Commissioner Makras asked Mr. Gough whether their group could promote adoption of the HAACP plan at the State level, and with other government agencies and landowners. Mr. Gough stated that other land agencies or purveyors of water could be encouraged to develop a program to institute Best Management Practices (BMP) if the costs of the program could be shared and if technical expertise could be provided to them. Mr. Gough noted that their agency had started in 1989 to put the grazing element within the Coastal Zone Management Act and submitted to the Environmental Protection Agency an element that instituted site-specific BMP's for grazing land to enhance water quality. He added that other public utilities that have grazing lands and concerns with source water and other public and private land owners could easily adopt this plan.

Terry Huff, District Conservationist with the Natural Resources Conservation Service, noted that their agency provides technical assistance to resource conservation districts throughout California and provides financial assistance as well for certain cost sharing related to implementation of Best Management Practices for clean water. He stated that they already provide those services to some of the lessees of the Public Utilities Commission and they would continue with those efforts and extend it to those landowners not within PUC's jurisdiction.

President Normandy directed staff to return to the Commission two meetings from now with a site specific action plan that would address moving animals farther away from water sources and looking at our existing treatment and filtration systems.

No action was taken.

12. Awarding Hetch Hetchy Contract WP-10, Protective Relay Installation, to Tri-Technic Inc. in the amount of \$663,635.

Douglas Thomsen representing Electro Test, Inc. urged the Commission to rebid the project. He said that their bid was rejected for being late and would not have been late if they were allowed to deliver the bid in San Francisco. He contested that the department gave an exception to another bidder whose bid was received and accepted in the San Francisco office.



Mr. Klein responded that the bid Mr. Thomsen was referring to was also rejected by staff due to misdelivery.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 12, passed (4-0) unanimously. Commissioner Werbe was excused at 4:45 p.m.

Resolution No. 97-0127: Awarding Hetch Hetchy Contract WP-10, Protective Relay Installation, to Tri-Technic Inc. in the amount of \$663,635.

13. Authorizing the General Manager of Hetch Hetchy Water & Power to execute an Energy Services Agreement with the State of California for purchase of natural gas for one year renewable on an annual basis.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 13, passed (4-0) unanimously.

Resolution No. 97-0128: Authorizing the General Manager of Hetch Hetchy Water & Power to execute an Energy Services Agreement with the State of California and execute a Natural Gas Service Agreement with PG&E for purchase of natural gas for one year renewable on an annual basis.

14. Recommending to the Board of Supervisors an amendment to the San Francisco Administrative Code to allow the Public Utilities Commission Customer Services Bureau access to the Treasurer's Cash Difference and Overage Funds. (Continued from the meeting of April 22, 1997.)

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 14, passed (4-0) unanimously.

Resolution No. 97-0129: Recommending to the Board of Supervisors an amendment to the San Francisco Administrative Code to allow the Public Utilities Commission Customer Services Bureau access to the Treasurer's Cash Difference and Overage Funds.

15. Approving the distribution of 490 ultra low-flow toilets to the Northridge Co-op Homes and Ridgeview Terrace Ltd. for installation in low-income housing units within the Bayview/Hunters Point Neighborhood.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 15, passed (4-0) unanimously.

Resolution No. 97-0130: Recommending to the Board of Supervisors an amendment to the San Francisco Administrative Code to allow the Public Utilities Commission Customer Services Bureau access to the Treasurer's Cash Difference and Overage Funds.

16. Authorizing the Manager of Water Supply & Treatment Division to negotiate and execute an agreement with Olivia Chen Consultants, Inc. for professional services to support the development and implementation of a Policy and Procedures Training Program in an amount not to exceed \$550,000 over two years. (Continued from the meeting of April 22, 1997.)

Cheryl Davis, Manager, Water Supply & Treatment Division, stated that the comment regarding the Olivia Chen team's inadequate training development experience was not the view of the rating panel in general and was not used to evaluate the bidders. Ms. Davis explained that the difference in the panel's individual comments was due to the varied expertise of each individual.

Commissioner Makras stated that he was voting against staff's recommendation to hire the Olivia Chen firm. He said he would be willing to negotiate with the next responsive bidder which is \$30,000 cheaper. Cheryl Davis noted that the language of the Request for Proposal reads that staff can only negotiate with the next highest ranked bidder if negotiations with the top bidder were not successful. Thomas M. Berliner, Utilities General Counsel, advised that the Commission is bound to award the contract to the highest rank bidder or reject all bidders. Ms. Davis stated that she would try to negotiate with Olivia Chen the same contract amount as the second lowest bidder.

President Normandy directed staff to ensure that the negotiated amount matches that of the second bidder without sacrificing the quality of work.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 16, passed (4-1). Commissioner Makras voted no.

Resolution No. 97-0131: Authorizing the Manager of Water Supply & Treatment Division to negotiate and execute an agreement with Olivia Chen Consultants, Inc. for professional services to support the development and implementation of a Policy and Procedures Training Program in an amount not to exceed \$521,455 over two years.

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Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Items 17, 18, 19, 20, and 21; passed (5-0) unanimously.

17. Resolution No. 97-0132: Authorizing the General Manager of Public Utilities to renew and execute Joint Funding Agreements with the United States Geological Survey (USGS) in a cooperative program to construct, operate and maintain streamgauging stations on Alameda Creek, Arroyo Hondo and Pilarcitos Creek in an amount not to exceed \$100,000 annually for a five year period.
18. Resolution No. 97-0133: Ratifying the Declaration of Emergency for Standby Power at Harry Tracy Water Treatment Plant made by the President of the Commission; authorizing the transfer of \$150,000 from Rehab/Upgrade Water Treatment Facilities to Standby Power Facilities Project; and requesting the Board of Supervisors to approve expenditure of funds in the amount of \$600,000.
19. Resolution No. 97-0134: Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to enter into a two-year contract with Hydroconsult Engineers for an amount not to exceed \$497,000 to perform hydraulic/hydrologic modeling for projects associated with the 1994 Sewer Revenue Bond Program, the Recycled Water Master Plan and NPDES permit compliance.
20. Resolution No. 97-0135: Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to extend four existing contracts with Hydroconsult Engineers: Contract 90-15046 - Bay Treatment Alternatives; Contract No. 96000044 - Western Presidio Sewer Improvements; Contract No. 96000045 - Rankin Pump Station, Contract 1; Contract No. 96000257 - Southwest Ocean Outfall, for one year ending June 30, 1998 at no additional cost.

21. Resolution No. 97-0136: Authorizing bid call for Hetch Hetchy Water & Power Contract No. HH-846, Early Intake Sluice Gates Replacement.

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Moved by Commissioner Caen, seconded by Commissioner Werbe, to adopt Items 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, and 32. All items passed unanimously (5-0) except for Items 22 and 25 where the vote was 4-1. Commissioner Makras voted no.

22. Resolution No. 97-0137: Rejecting all bids received for Hetch Hetchy Water & Power Contract No. HH-819R, Moccasin Powerhouse Static Excitation System Retrofit; and authorizing readvertisement for bids as Contract No. HH-819R1.
23. Resolution No. 97-0138: Awarding San Francisco Water Department Contract No. WD-2127, 8-Inch Ductile Iron Main Installation in Battery Street between Vallejo and Lombard Streets and in Jackson Street between Stockton and Kearny Streets; and 6-Inch Ductile Iron Main Installation in Wentworth Street to the lowest responsive bidder, P & J Utility Co., in the amount of \$316,850.
24. Resolution No. 97-0139: Accepting the work performed under San Francisco Water Department Contract No. WD-2134, Summit Pump Station Standby Generator and Related Work as complete; approving Contract modification No. 3 in the credit amount of \$3,618.59; and approving final payment to the contractor, Cresci Electric, Inc., in the amount of \$716.58.
25. Resolution No. 97-0140: Rejecting all bids received for San Francisco Water Department Contract No. WD-2179, Alemany Pump Station Standby Generator and Related Work; and authorizing readvertisement as Contract No. WD-2179R.
26. Resolution No. 97-0141: Awarding San Francisco Water Department contract No. WD-2194, 6- and 8-Inch Ductile Iron Main Installation in 11th Street, 12th Street, and other streets between Bryant Street and Howard Street to the second low bidder, E. Mitchell, Inc. in the amount of \$539,955.00.

27. Resolution No. 97-0142: Authorizing bid call for San Francisco Water Department Contract No. WD-2228, BDPL Nos. 1 and 2 Timber Trestle Repairs - Contract 3 of 5.
28. Resolution No. 97-0143: Approving Contract Modification No. 2 in the amount of \$190,656.06 for Utilities Engineering Bureau Contract 1204N, Central Viaduct Retrofit Sewer Relocation; and requesting the Mayor to recommend to the Board of Supervisors to approve the contract modification cost increase.
29. Resolution No. 97-0144: Authorizing bid call for Utilities Engineering Contract Specification 1202N, North Point Water Pollution Control Plant Improvements - Phase 2.
30. Resolution No. 97-0145: Authorizing bid call for Utilities Engineering Contract Specification 1245N, Yosemite/Egbert Sewer Enlargement Project.
31. Resolution No. 97-0146: Awarding Utilities Engineering Bureau Contract 1376N, Jackson Street Sewer Replacement in the amount of \$122,313 to Ramirez Engineering Corporation as the lowest responsive bidder.
32. Resolution No. 97-0147: Authorizing bid call for Utilities Engineering Contract Specification 1414N, Treat Avenue and 22nd Street Sewer Replacement.

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Moved by Commissioner Werbe, seconded by Commissioner Makras, to adopt Item 33, passed (5-0) unanimously.

33. Resolution No. 97-0148: Approving a three year lease for 4,000 sq. ft. of office space at 1212 Market Street at an annual rate of \$67,800 with two one-year options to renew.
34. Resolution No. 97-0149: Approving a permit to the County of San Mateo for vehicular access in conjunction with the Crystal Springs Trail Day race on May 31, 1997.



35. Resolution No. 97-0150: Approving a permit to Metropolitan Fiber Systems of California, Inc. dba Metropolitan Fiber Systems of San Jose for one 4-inch telecommunication conduit within the Permit Area located in Mountain View, Santa Clara County.
36. Resolution No. 97-0151: Approving Assignment and Assumption of Lease and Consent to Assignment of approximately .28 acres of land to Gan Haw Ent., Inc., a California partnership, as Assignee, for parking, landscaping and playground purposes at a monthly rental rate of \$370.99 per month commencing retroactively to June 20, 1995 and terminating February 28, 1999.
37. Resolution No. 97-0152: Declaring certain property in Santa Clara County, totaling 4,885 square feet, should be sold; and authorizing the Director of Property to proceed with the sale and to prepare and submit legislation to the Board of Supervisors for the conveyance of an access easement to the Santa Clara County Transit District.

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38. Requesting the Mayor to amend the FY 97/98 Public Utilities Commission budget to include a \$17,900 work order to the San Francisco Agricultural Commissioner for the purpose of complying with the Pesticide Management Ordinance.

Moved by Commissioner Werbe, seconded by Commissioner Makras, to adopt Item 38, passed (5-0) unanimously.

Resolution No. 97-0153: Requesting the Mayor to amend the FY 97/98 Public Utilities Commission budget to include a \$17,900 work order to the San Francisco Agricultural Commissioner for the purpose of complying with the Pesticide Management Ordinance.

## CLOSED SESSION

39. Public Comments on matters to be discussed in Closed Session.

There were none.

40. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 5:08 P.M. to 6:11 P.M. to discuss the following matters:

41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

Moved by Commissioner Makras, seconded by Commissioner Cook, to approve a settlement for Item 41, passed (4-1). Commissioner Werbe voted No.

Resolution No. 97-0154: Requesting the General Manager of Public Utilities and the City Attorney to prepare settlement documents and a lease to fulfill the terms of the agreement between the Public Utilities Commission and Chevron regarding resolution of the case of Chevron Pipe Line Company v. City and County of San Francisco, Alameda County Superior Court, Case No. V-011383-8 and City and County of San Francisco v. Standard Oil, et.al., Alameda County Municipal Court, Case No. C-30152-7 and entering into of a long term lease; and urging the Mayor and the Board of Supervisors to accept the settlement of the subject litigation.



42. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Crystal Springs Golf Partners, L.P.

No action was taken on Item 42.

43. Personnel Matter - Pursuant to Government Code Section 54957:

Public Employee Discipline/Grievance: Number of Employees Affected: 1

Moved by Commissioner Makras, seconded by Commissioner Cook, to approve a settlement for Item 43, passed (4-0) unanimously. Commissioner Caen was excused at 5:45 p.m.

Resolution No. 97-0155: Approving payment of back pay wages to Mr. Shirish Gandhi.

44. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water  
Department property on Bernal Avenue in Alameda  
County.

No action was taken on Item 44.

45. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

46. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously. Commissioner Werbe was excused at 6:10 p.m.

Thereupon, the meeting was adjourned:

6:12 P.M.

Romaine A. Boldridge  
Secretary



# **AGENDA**

## **PUBLIC UTILITIES COMMISSION**

### **CITY AND COUNTY OF SAN FRANCISCO**

**Willie L. Brown, Jr.  
MAYOR**

DOCUMENTS DEPT.

#### **REGULAR MEETING**

MAY 27 1997

May 27, 1997

1:00 P.M.

Room 402

SAN FRANCISCO  
PUBLIC LIBRARY

1155 Market Street, Fourth Floor

#### **COMMISSIONERS**

**E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen**

#### **DEPARTMENTS**

**Water Department  
Hetch Hetchy  
Clean Water Program**

#### **BUREAUS**

**Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control**

**Anson B. Moran  
GENERAL MANAGER**

**Romaine A. Boldridge  
SECRETARY**

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Water Supply Master Plan (Ritchie)
  - b. Presentation No. 7 on Electrical Industry Restructuring  
(Continued from the meeting of May 13, 1997). (Klein)
  - c. Ridge Trail (Moran)
  - d. Contracting Report (Kubick)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

9. Authorizing the General Manager of Hetch Hetchy Water and Power to enter into a contract and a temporary permit with Modesto Irrigation District (MID) to interconnect to Hetch Hetchy's transmission line between Hetch Hetchy's Warnerville Substation and MID's Standiford Substation. (Klein)
10. Directing the City Attorney to amend and assign the contract with Metzger, Hollis, Gordon and Alprin to Duane, Morris & Heckscher with a contract total not to exceed \$518,260 less any money owed to Metzger, Hollis, Gordon and Alprin; and authorizing the General Manager of Public Utilities to enter into a professional services contract with Duane, Morris & Heckscher for legal services for a term until June 30, 1998 with no additional funding. (Klein)
11. Authorizing the General Manager of Public Utilities to execute the fourth amendment to the agreement with Daniel B. Steiner, consulting engineer, increasing contract funding by \$280,000 for a total contract amount not to exceed \$1,448,000; and extending the contract term to June 30, 1998. (Klein)
12. Adopting a Records Retention Schedule for Hetch Hetchy Water and Power. (Klein)

### **CUSTOMER SERVICE BUREAU**

**John P. Mullane, Manager**

13. Authorizing the Manager of Customer Services Bureau to enter into an agreement with the Salvation Army, St. Vincent De Paul and Goodwill to distribute 2,000 ultra low-flow toilets to single family customers. (Knox)



## **WATER QUALITY DIVISION**

**Andrew DeGraca, Manager**

14. Authorizing the Manager of Water Quality Division to negotiate and execute a Professional Services Agreement with AGS/Water Resources Engineering Joint Venture for the AWSS Cross-Connection Control Phase 2 Study; and to negotiate and execute an agreement with the other qualified firms in the order of their ranking if an agreement cannot be reached with AGS/WRE. (De Graca)

## **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

15. Directing staff to proceed immediately with Phase I of the design for the restoration of the Sunol Water Temple that includes completion of a Historic Structures Report, a full survey of all on-site and stored components, completion of a report evaluating damages found, and outlining recommended final restoration methods; and present the results of this report within one month of completion. (Cockburn)
16. Authorizing the Manager of Utilities Engineering to circulate a Request for Proposals for professional engineering services to perform Phase IIA of the Facilities Vulnerability Study, the Regional System Overview. (Cockburn)
17. Approving a modification to Contract CS-447 with EIP Associates to provide additional environmental engineering services in the amount of \$553,929 and extending contract completion time to September 1999; and approving the transfer of \$285,000 from the Water Enterprise Project to Lower Crystal Springs Dam Abutment Protection Project. (Cockburn)
18. Awarding San Francisco Water Department Contract No. WD-2195, 8-Inch Ductile Iron Main Installation in Vallejo Street between Mason and Montgomery Streets, Grant Avenue between Union Street and Columbus Avenue, and Broadway between Columbus Avenue and Romolo Place in the amount of \$400,340 to P&J Utility Co. (Cockburn)

UTILITIES ENGINEERING BUREAU (Continued)

19. Awarding San Francisco Water Department Contract No. WD-2204, 8-Inch Ductile Iron Main Installation in 15th Street between Dolores and Folsom Streets in the amount of \$381,480 to A. Ruiz Construction Co. & Assoc. Inc. (Cockburn)
20. Approving Contract Modification No. 1 for Water Department Contract No. WD-2206, Replace Castlewood Reservoir, with A. Ruiz Construction Co. & Assoc., Inc. increasing the contract amount from \$882,885 to \$1,014,385; extending contract completion time by 104 calendar days; and approving the transfer of \$300,000 from Pulgas Valve Lot Upgrade to this project. (Cockburn)
21. Approving the final plans and specifications for Hetch Hetchy Water & Power Contract No. HH-861, Mountain Tunnel Adit Repairs; authorizing advertisement for bids; and authorizing transfer of funds from Mountain Tunnel Adit Repairs to Mountain Tunnel Repair. (Cockburn)
22. Approving the final plans and specifications for Contract Specification No. 1223W, Islais Creek Public Access Improvements, and authorizing advertisement for bids. (Cockburn)
23. Approving the final plans and specifications for Contract Specification No. 1267N, Oceanside Water Pollution Control Plant Phase 1 Anaerobic Selector Conversion and Grit Classifier Revision; authorizing advertisement for bid; and authorizing pre-purchase of equipment to insure timely installation by the selected contractor. (Cockburn)
24. Approving the final plans and specifications for Contract Specification No. 7212E, North Point Water Pollution Control Plant, Repair of Outfall Diffusers; and authorizing advertisement for bids. (Cockburn)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

### **Steve Ritchie, Manager**

25. Authorizing the Manager of Systems Planning and Regulatory Compliance to negotiate and execute an agreement with CH2M Hill/AGS, Inc., a joint venture, to provide professional services associated with implementation of the Groundwater Master Plan. (Ritchie)
26. Authorizing the Manager of Systems Planning and Regulatory Compliance to execute Amendment No. 3 to the professional services agreement with the San Francisco Water Team to perform Phase 1B Conceptual Engineering and related studies for the Hetch Hetchy Water Treatment Project for an amount not to exceed \$2,498,200. (Ritchie)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

### **Garrett M. Dowd, Manager**

27. Authorizing the General Manager of Public Utilities to execute a permit with the County of San Mateo, granting access to and from a staging area/starting point for a race to be held in conjunction with Crystal Springs Trail Day on a portion of Crystal Springs Golf Course along a service road from Old Skyline Boulevard to Sawyer Camp Trail, including pedestrian access to a portion of the County's new trail easement known as Segment 8 in San Mateo County. (Dowd)
28. Authorizing the use of night lighting at the Crystal Springs Golf Course Driving Range. (Dowd)
29. Authorizing the General Manager of Public Utilities to execute a permit with the State of California Department of Transportation to conduct surveys in the Peninsula watershed along Highway 92 in San Mateo County, in connection with the Highway 92 Improvement Project for a fee of \$1,800. (Dowd)
30. Authorizing the General Manager of Public Utilities to execute a permit with the City of Milpitas for linear park and for constructing and maintaining a pedestrian and bicycle path on a portion of Parcel 100-A of Bay Division Pipeline Nos.3 and 4 right-of-way in Milpitas, Santa Clara County. (Dowd)

## CLOSED SESSION

31. Public Comments on matters to be discussed in Closed Session.
32. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Mahoney)  
  
Existing Litigation: Faye Bernstein v. CCSF, Claim No. 95-04208.
34. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:  
  
Property: Certain parcels on and between Tucker Avenue and Leland Avenue in Visitation Valley (also known as the Reis Tract).  
Negotiator: Garrett Dowd  
Under Negotiation: Price and Terms
35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:  
  
Property: Township 4 South, Range 2 East, Mount Diablo Base Meridian - the SW 1/4 of Section 22, the W 1/2 of Section 26, Section 28, Section 29, Section 34, and Section 27.  
Negotiator: Garrett Dowd  
Under Negotiation: Price and terms
36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)  
  
Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).

38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources Control Board.

2) Electric Restructuring Hearings before the California Public Utilities Commission.

3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

39. Announcement following Closed Session.

40. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

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**NOTICE OF PUBLIC HEARING**

Notice is hereby given that the Public Utilities Commission for the City and County of San Francisco will conduct a public hearing on Tuesday, June 10, 1997, at 1:00 p.m., at 1155 Market Street, Fourth Floor, to consider revising the rules and regulations governing the Public Utilities Commission revolving funds.



# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

May 27, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUN 16 1997

SAN FRANCISCO  
PUBLIC LIBRARY

## COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

## DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 1:25 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook  
  
Excused - Commissioner Robert K. Werbe, Commissioner Ann Moller Caen
3. Approval of Minutes  
  
On motion by Commissioner Cook, seconded by Commissioner Makras, the Minutes of the Regular Meeting of May 13, 1997 were approved (3-0) by unanimous vote.
4. Communications  
  
No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners  
  
No action was taken.
6. Introduction of New Business by Commissioners  
  
There was no new business introduced by Commissioners.
7. Report of the General Manager
  - a. Water Supply Master Plan  
  
Mary Williams of the Utilities Engineering Bureau gave an electronic slide presentation regarding the development of the Water Supply Master Plan. Ms. Williams discussed the missions, goals and objectives of the Water Supply Master Plan. She stated that the study is geared to examine options on how the existing system could meet the increasing demands of customers in San Francisco and the suburbs. A steering committee composed of staff from the Public Utilities Commission and the Bay Area Water Users Association oversees the project.

Arthur M. Jensen, General Manager of the Bay Area Water Users' Association, discussed the approach the Committee is taking in the course of the study.

Ms. Williams noted that the Committee is currently studying the reliability of the existing system. She said that by August or September of this year, they would be developing the scope of work for Phase 2, which is when they will conduct the study and prepare the master plan.

b. Presentation No. 7 on Electrical Industry Restructuring

Item 7b was continued to the next regular meeting scheduled on June 10, 1997.

c. Ridge Trail

Anson B. Moran, General Manager of Public Utilities, reported that staff met with the Bay Area Ridge Trail Council, the Golden Gate National Recreation Area and San Mateo County concerning the Board of Supervisors resolution to open the Peninsula watershed to recreational use. The group decided upon a two-prong approach: 1) to include the Bay Area Ridge Trail proposal in the preferred watershed management alternative that will go through the normal environmental impact review process; and 2) to develop an interim project that would meet the requirements of a Negative Declaration and allow staff to proceed without a full blown Environmental Impact Report. The group has been working together to define the components of the project. Discussions are still ongoing on whether to go with a docent led program or volunteer patrol.

Staff will return to the Commission on June 10, 1997 to present the interim project.

d. Contracting Report

Item 7d was continued to the next regular meeting scheduled on June 10, 1997.

8. Public Comments

There were none.

## REGULAR

9. Authorizing a contract and a temporary permit with Modesto Irrigation District (MID) to interconnect to Hetch Hetchy's transmission line.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 9; passed (3-0) unanimously.

Resolution No. 97-0156: Authorizing the General Manager of Hetch Hetchy Water and Power to enter into a contract and a temporary permit with Modesto Irrigation District (MID) to interconnect to Hetch Hetchy's transmission line between Hetch Hetchy's Warnerville Substation and MID's Standiford Substation.

NOTE: The Commission postponed discussion of Items 10 and 11 until after the Closed Session agenda.

12. Adopting a Records Retention Schedule for Hetch Hetchy Water and Power.

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 12 to the next regular meeting scheduled on June 10, 1997; passed (3-0) unanimously.

13. Authorizing the Manager of Customer Services Bureau to enter into an agreement with the Salvation Army, St. Vincent De Paul and Goodwill to distribute 2,000 ultra low-flow toilets to single family customers.

Commissioner Cook moved to adopt Item 13.

Commissioner Makras recommended continuance of the item. He stated that the program presents a good public relations image for the Public Utilities Commission and he would like staff to distribute the toilets directly to customers rather than through a third party.

Item 13 was continued to the next regular meeting scheduled on June 10, 1997.

14. Authorizing a Professional Services Agreement with AGS/Water Resources Engineering Joint Venture for the AWSS Cross-Connection Control Phase 2 Study.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 14, passed (3-0) unanimously.

Resolution No. 97-0159: Authorizing the Manager of Water Quality Division to negotiate and execute a Professional Services Agreement with AGS/Water Resources Engineering Joint Venture for the AWSS Cross-Connection Control Phase 2 Study; and to negotiate and execute an agreement with the other qualified firms in the order of their ranking if an agreement cannot be reached with AGS/WRE.

15. Directing staff to proceed with Phase I of the design for the restoration of the Sunol Water Temple.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 15, passed (3-0) unanimously.

Resolution No. 97-0160: Authorizing the Manager of Water Quality Division to negotiate and execute a Professional Services Agreement with AGS/Water Resources Engineering Joint Venture for the AWSS Cross-Connection Control Phase 2 Study; and to negotiate and execute an agreement with the other qualified firms in the order of their ranking if an agreement cannot be reached with AGS/WRE.

16. Authorizing the circulation of a Request for Proposals for professional engineering services to perform Phase IIA of the Facilities Vulnerability Study.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 16, passed (3-0) unanimously.

Resolution No. 97-0161: Authorizing the Manager of Utilities Engineering to circulate a Request for Proposals for professional engineering services to perform Phase IIA of the Facilities Vulnerability Study, the Regional System Overview.

17. Approving a modification to Contract CS-447 with EIP Associates to provide additional environmental engineering services.

Commissioner Cook inquired why staff was extending the contract instead of putting it out for bid. Commissioner Makras stated that if new tasks were being added to a project, staff should solicit bids for the additional work. Robert T. Cockburn, Manager of the Utilities Engineering Bureau, responded that it would cost as much to hire another contractor as it would to extend the contract.

Mr. Cockburn reported that the contractor had proposed 42% MBE/WBE participation on the new contract amount of \$553,929. Commissioner Makras suggested that staff negotiate with the contractor to aim for 50% to 60% MBE/WBE participation. Mr. Cockburn noted that the agreement with the contractor provides participation with MBE/WBE at the maximum extent possible. Commissioner Makras recommended approval of the agenda item with the stipulation that staff would negotiate with the contractor to increase their MBE/WBE participation to 55% of the contract and if an agreement is not reached staff would return to the Commission.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 17 as amended, passed (3-0) unanimously.

Resolution No. 97-0162: Approving a modification to Contract CS-447 with EIP Associates to provide additional environmental engineering services in the amount of \$553,929 for the Lower Crystal Springs Dam Abutment Protection Project and Bay Division pipelines No. 1 and No. 2 Timber Trestle Repair Program; extending contract completion time to September 1999; and approving the transfer of \$285,000 from the Water Enterprise Project to Lower Crystal Springs Dam Abutment Protection Project.

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On recommendation by President Normandy, Commissioner Makras moved, seconded by Commissioner Cook, to adopt Item Nos. 18, 19, 20, 22, 23, and 24; passed (3-0) unanimously.

- 18. Resolution No. 97-0163: Awarding San Francisco Water Department Contract No. WD-2195, 8-Inch Ductile Iron Main Installation in Vallejo Street between Mason and Montgomery Streets, Grant Avenue between Union Street and Columbus Avenue, and Broadway between Columbus Avenue and Romolo Place in the amount of \$400,340 to P&J Utility Co.
- 19. Resolution No. 97-0164: Awarding San Francisco Water Department Contract No. WD-2204, 8-Inch Ductile Iron Main Installation in 15th Street between Dolores and Folsom Streets in the amount of \$381,480 to A. Ruiz Construction Co. & Assoc. Inc.
- 20. Resolution No. 97-0165: Approving Contract Modification No. 1 for Water Department Contract No. WD-2206, Replace Castlewood Reservoir, with A. Ruiz Construction Co. & Assoc., Inc. increasing the contract amount from \$882,885 to \$1,014,385; extending contract completion time by 104 calendar days; and approving the transfer of \$300,000 from Pulgas Valve Lot Upgrade to this project.
- 22. Resolution No. 97-0166: Approving the final plans and specifications for Contract Specification No. 1223W, Islais Creek Public Access Improvements, and authorizing advertisement for bids.
- 23. Resolution No. 97-0167: Approving the final plans and specifications for Contract Specification No. 1267N, Oceanside Water Pollution Control Plant Phase 1 Anaerobic Selector Conversion and Grit Classifier Revision; authorizing advertisement for bid; and authorizing pre-purchase of equipment to insure timely installation by the selected contractor.
- 24. Resolution No. 97-0168: Approving the final plans and specifications for Contract Specification No. 7212E, North Point Water Pollution Control Plant, Repair of Outfall Diffusers; and authorizing advertisement for bids.

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21. Approving the final plans and specifications for Hetch Hetchy Water & Power Contract No. HH-861, Mountain Tunnel Adit Repairs; authorizing advertisement for bids; and authorizing transfer of funds from Mountain Tunnel Adit Repairs to Mountain Tunnel Repair.

Item 21 was removed from the agenda.

25. Authorizing the Manager of Systems Planning and Regulatory Compliance to negotiate and execute an agreement with CH2M Hill/AGS, Inc., a joint venture, to provide professional services associated with implementation of the Groundwater Master Plan.

Commissioner Cook moved to adopt Item 25.

Commissioner Makras recommended continuance of the item so that he could review the matter more carefully in light of other capital projects. He commented that the study was too costly.

Item 25 was continued to the next regular meeting scheduled on June 10, 1997.

26. Authorizing Amendment No. 3 to the agreement with the San Francisco Water Team to perform Phase 1B Conceptual Engineering and related studies for the Hetch Hetchy Water Treatment Project.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 26, passed (3-0) unanimously.

Resolution No. 97-0169: Authorizing the Manager of Systems Planning and Regulatory Compliance to execute Amendment No. 3 to the professional services agreement with the San Francisco Water Team to perform Phase 1B Conceptual Engineering and related studies for the Hetch Hetchy Water Treatment Project for an amount not to exceed \$2,498,200.

On recommendation by President Normandy, Commissioner Makras moved, seconded by Commissioner Cook, to adopt Items 27, 29, and 30, passed (3-0) unanimously.

27. Resolution No. 97-0170: Authorizing the General Manager of Public Utilities to execute a permit with the County of San Mateo, granting access to and from a staging area/starting point for a race to be held in conjunction with Crystal Springs Trail Day on a portion of Crystal Springs Golf Course along a service road from Old Skyline Boulevard to Sawyer Camp Trail, including pedestrian access to a portion of the County's new trail easement known as Segment 8 in San Mateo County.
29. Resolution No. 97-0172: Authorizing the General Manager of Public Utilities to execute a permit with the State of California Department of Transportation to conduct surveys in the Peninsula watershed along Highway 92 in San Mateo County, in connection with the Highway 92 Improvement Project for a fee of \$1,800.
30. Resolution No. 97-0173: Authorizing the General Manager of Public Utilities to execute a permit with the City of Milpitas for linear park and for constructing and maintaining a pedestrian and bicycle path on a portion of Parcel 100-A of Bay Division Pipeline Nos.3 and 4 right-of-way in Milpitas, Santa Clara County.

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28. Authorizing the use of night lighting at the Crystal Springs Golf Course Driving Range.

Commissioner Makras suggested approving the use of night lights on a 120-day trial basis to allow a comment period for issues that might arise from the community.

Thomas Isaak, representing Crystal Springs Golf Partners, commented that their firm had invested \$60,000 to \$70,000 to install the new night lights as part of their construction plan. He said that the old lights that were now in use for the last 13 months received no public objections.

Mr. Dowd stated that staff had not received any complaints regarding the use of night lights.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 28, passed (3-0) unanimously.

Resolution No. 97-0171: Authorizing the use of night lighting at the Crystal Springs Golf Course Driving Range.

## **CLOSED SESSION**

31. Public Comments on matters to be discussed in Closed Session.

There were none.

32. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Makras, to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel, passed (3-0) unanimously.

The meeting recessed at 2:35 P.M.

The Public Utilities Commission met in Closed Session from 2:45 p.m. to 3:40 p.m. to discuss the following matters:

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Faye Bernstein v. CCSF, Claim No. 95-04208.

Moved by Commissioner Makras, seconded by Commissioner Cook, to approve a settlement for Item 33; passed (3-0) unanimously.

Resolution No. 97-0174: Recommending to the Board of Supervisors the approval of a settlement in the case of Faye Bernstein vs. CCSF, Claim No. 95-04208.

34. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Certain parcels on and between Tucker Avenue and Leland Avenue in Visitation Valley (also known as the Reis Tract).  
Negotiator: Garrett Dowd  
Under Negotiation: Price and Terms
- No action was taken on Item 34.
35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Township 4 South, Range 2 East, Mount Diablo Base Meridian - the SW 1/4 of Section 22, the W 1/2 of Section 26, Section 28, Section 29, Section 34, and Section 27.  
Negotiator: Garrett Dowd  
Under Negotiation: Price and terms
- No action was taken on Item 35.
36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
- Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
- No action was taken on Item 36.
37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
- Existing Litigation: Chevron v. CCSF, and CCSF v. Standard, et.al. (Chevron).
- No action was taken on Item 37.

38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

- Existing Litigation:
- 1) Bay Delta Hearings before the State Water Resources Control Board.
  - 2) Electric Restructuring Hearings before the California Public Utilities Commission.
  - 3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken on Item 38.

39. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

40. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Items 10 and 11, passed (3-0) unanimously.

10. Resolution No. 97-0157: Directing the City Attorney to amend and assign the contract with Metzger, Hollis, Gordon and Alprin to Duane, Morris & Heckscher with a contract total not to exceed \$518,260 less any money owed to Metzger, Hollis, Gordon and Alprin; and authorizing the General Manager of Public Utilities to enter into a professional services contract with Duane, Morris & Heckscher for legal services for a term until June 30, 1998 with no additional funding.

11. Resolution No. 97-0158:

Authorizing the General Manager of Public Utilities to execute the fourth amendment to the agreement with Daniel B. Steiner, consulting engineer, increasing contract funding by \$280,000 for a total contract amount not to exceed \$1,448,000; and extending the contract term to June 30, 1998.

Thereupon, the meeting was adjourned:

3:43 P.M.

Romaine A. Boldridge  
Secretary

# **AGENDA**

## **PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO**

197  
**Willie L. Brown, Jr.  
MAYOR**

### **REGULAR MEETING**

June 10, 1997

**1:00 P.M.**

**Room 402**

**1155 Market Street, Fourth Floor**

**DOCUMENTS DEPT.**

**JUN 06 1997**

**SAN FRANCISCO  
PUBLIC LIBRARY**

### **COMMISSIONERS**

**E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen**

### **DEPARTMENTS**

**Water Department  
Hetch Hetchy  
Clean Water Program**

### **BUREAUS**

**Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control**

**Anson B. Moran  
GENERAL MANAGER**

**Romaine A. Boldridge  
SECRETARY**



## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haigh Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Presentation on the Capital Improvement Program. (Mullane)
  - b. Presentation No. 7 on Electrical Industry Restructuring  
(Continued from the meeting of May 27, 1997). (Klein)
  - c. Presentation on Contracting Procedures. (Kubick)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

9. To consider a process for administering, budgeting and planning the use of Public Utilities Commission owned housing. (Klein)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

10. Adopting a Records Retention Schedule for Hetch Hetchy Water and Power. (Continued from the meeting of May 27, 1997.) (Klein)

### **CUSTOMER SERVICE BUREAU**

**John P. Mullane, Manager**

11. Authorizing the Manager of Customer Services Bureau to enter into an agreement with the Salvation Army, St. Vincent De Paul and Goodwill to distribute 2,000 ultra low-flow toilets to single family customers. (Continued from the meeting of May 27, 1997.) (Mullane)

### **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

12. Amending the Peninsula Watershed Management Plan Preferred Alternative to consider the Bay Area Ridge Trail route on the Peninsula watershed as recommended by the San Francisco Board of Supervisors; and identifying options for an interim trail program to provide public access to the proposed route effective this summer. (Stewart)

## UTILITIES ENGINEERING BUREAU

**Robert T. Cockburn, Manager**

13. Approving the plans and specifications and authorizing bid call for Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs. (Continued from the meeting of May 27, 1997.) (Cockburn)
14. Approving Contract Modification No. 1 to Water Department Contract No. WD-2199, Repaving Street and Sidewalk Openings for San Francisco Water Department for Fiscal Year Ending June 30, 1997, extending contract completion date from June 30, 1997 to December 31, 1997 and increasing the contract amount by \$126,147.80; approving Contract Modification No. 2 increasing the total contract amount by an additional \$637,110.10; approving bid call for Water Department Contract WD-2229, Repaving Street and Sidewalk Openings for San Francisco Water Department for Fiscal Year Ending June 30, 1998; approving a fund transfer of \$637,110.10 from "Services of DPW" to "Other Current Services" in CDD's 1997-98 budget; and requesting the Board of Supervisors to approve the increase in the contract amount exceeding 10% of the original contract amount. (Cockburn)
15. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2205, 8-Inch Ductile Iron Main Installation in O'Farrell Street between Broderick and Fillmore Streets, in Ellis Street between Divisadero and Steiner Streets, and in Pierce and Steiner Streets between O'Farrell Street and Ellis Street; and authorizing advertisement for bids. (Cockburn)
16. Authorizing the General Manager of Public Utilities to enter into an Amended Utility Agreement with the State Department of Transportation for the relocation of sewer mains, box culverts, and storm drains to accommodate the State's retrofit of Highway 101 from Mission Street to the Highway 80 Interchange. (Cockburn)
17. Approving the final plans and specifications for Contract Specification No. 1438N, Tenth/Twenty-Third Avenues Sewer Replacement, to replace existing 12-inch and 18-inch diameter ISP and 12-inch diameter VCP with 12-inch, 18-inch and 21-inch diameter VCP sewers in Twenty-Third Avenue from Lincoln Way to Irving Street, Tenth Avenue from Judah to Kirkham Streets and Tenth Avenue from Ortega to Pacheco Streets and authorizing advertisement for bids. (Cockburn)

UTILITIES ENGINEERING BUREAU (Continued)

18. Approving the final plans and specifications for Contract Specification No. 1248N, Various Pump Stations Improvements - Contract 2, to upgrade and install new mechanical, structural and electrical equipment and services at the Sunnydale and Tennessee Street Pump Stations, and authorizing advertisement for bids.  
(Cockburn)
19. Approving the final plans and specifications for Contract Specification No. 1253N, 12th Street Sewer Replacement, to replace the existing 3' x 5' brick sewer with 36-inch diameter RCP class IV sewer in 12th Street from Harrison Street to Folsom Street and authorizing advertisement for bids.
20. Approving the final plans and specifications for Contract Specification No. 1432N, Post Street Sewer Replacement, from Divisadero to Baker Streets and authorizing advertisement for bids.
21. Approving the final plans and specifications for Contract Specification No. 1465N, "Southeast Water Pollution Control Plant (SEWPCP) Roofing Repair for Buildings 930 and 850" and authorizing advertisement for bids. (Cockburn)

**BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

22. Authorizing the Manager of Systems Planning and Regulatory Compliance to negotiate and execute an agreement with CH2M Hill/AGS, Inc., a joint venture, to provide professional services associated with implementation of the Groundwater Master Plan at a cost not to exceed \$650,000. (Continued from the meeting of May 27, 1997.)  
(Ritchie)

## **BUREAU OF FINANCE**

**Steven Carmichael, Director**

23. Public Hearing - Approving the Revised Rules and Regulations governing the Public Utilities Commission Revolving Funds. (Carmichael)
24. Accepting the state revolving fund loans offered by the State Water Resources Control Board in the amount of \$50 million with a repayment period of 20 years at a 0% interest rate for various Clean Water Program projects; and recommending to the Board of Supervisors acceptance of said loans. (Carmichael)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

25. Authorizing the General Manager of Public Utilities to execute a lease with AT&T Wireless Services, Inc. for placement of cellular communications antennas on Hetch Hetchy Parcel No. 672 including Tower No. 418N, located at Prescott Road and Connett Avenue in the City of Modesto, at a monthly rental rate of \$750 and a monthly license fee of \$115. (Dowd)
26. Authorizing the General Manager of Public Utilities to execute a joint permit with Pacific Bell and Pacific Gas and Electric Company for underground utility installations including placement of conduit and service boxes over the Islais Creek sewer box along Cesar Chavez Way in San Francisco. (Dowd)
27. Authorizing the General Manager of Public Utilities to execute a permit with the City of Fremont, for installation of underground utility facilities on a portion of Parcels 1216(2) and 1210 of the Bay Division Pipelines Nos. 1 and 2 right of way in Fremont. (Dowd)



## CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.
29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 11 of San Mateo County lands, former Muni right of way in San Bruno, California  
Parties Negotiating: Lymburn/Dowd  
Lessee: Artichoke Joe's  
Under Negotiation: Price and Terms

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources Control Board.  
2) Electric Restructuring Hearings before the California Public Utilities Commission.  
3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)

Existing Litigation: Pacific Gas and Electric Company v. CCSF, Superior Court No. 969837



33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

34. Announcement following Closed Session.
35. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

DOCUMENTS DEPT.

## REGULAR MEETING

JUL 09 1997

SAN FRANCISCO  
PUBLIC LIBRARY

June 10, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

## COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

## DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:05 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

3. Approval of Minutes

On motion by Commissioner Cook, seconded by Commissioner Werbe, the Minutes of the Regular Meeting of May 27, 1997 were approved (5-0) by unanimous vote.

4. Communications

Commissioner Caen requested a copy of a letter dated January 31, 1997 from Coopers & Lybrand involving the PUC's internal control structure and operation.

Commissioner Cook requested that staff present an overview of the financial audit to the Commission.

5. Introduction of Old/Ongoing Business by Commissioners

Media Outreach

Commissioner Caen suggested that staff issue press releases regarding any event that would convey to the public a positive image of the Public Utilities Commission. She stated that staff should take an active role in public outreach particularly with the newspapers. Timothy Dayonot, Manager of Government & Public Affairs, commented that staff maintained contact with major newspapers, the San Francisco Examiner and San Francisco Chronicle when there were issues of public concern. He said he contacted both newspapers concerning the zero water rate increase and the grazing issue. Both major newspapers chose not to run a story on the water rates.

Proposition E

Commissioner Werbe expressed his disappointment regarding the loss of Ballot Proposition E in the election on June 2, 1997. He stated that he would like a review of the proposition and what caused it to fail. Mr. Moran responded that staff not being able to promote the ballot measure constricted Proposition E's success. The Charter prohibits City employees from spending public funds to advocate a proposition on the ballot. He added that the ballot argument should have been more

aggressive. He suggested that an independent organization such as "Friends of the Public Utilities Commission" would be able to advocate a proposition such as Prop E in the future.

Mr. Dayonot commented that the San Francisco Chronicle and the San Francisco Examiner were contacted regarding the ballot measure and both endorsed the measure. The Bay Guardian and the San Francisco Independent did not endorse it.

Steven Carmichael commented that Finance staff attended neighborhood organization meetings to address concerns regarding Prop E.

President Normandy reiterated the need to fast track the communications plan in line with the capital improvement program.

#### MBE/WBE Participation Goals

Commissioner Makras requested staff to calendar the item regarding increasing MBE/WBE participation goals in PUC contracts at the next regular meeting.

#### 6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

#### 7. Report of the General Manager

##### a. Presentation on the Capital Improvement Program.

John P. Mullane, Manager, Customer Service Division, gave a presentation on the Capital Improvement Program using a slide projector. He stated that staff would give this presentation to the public to explain PUC's capital improvement program. The targeted audiences of the presentation include SPUR, the Chamber of Commerce, hotel industry organizations, and homeowners associations.

##### b. Presentation No. 7 on Electrical Industry Restructuring - Positions Taken at the Federal Energy Regulatory Commission (FERC).

Laurie Park, Water and Power Resource Manager, gave a presentation using electronic slides. Ms. Park discussed the issues that staff had been advocating before the Federal Energy Regulatory Commission (FERC). One

issue is about preserving the City's existing contract with PG&E to provide transmission capacity from Hetch Hetchy to municipal loads.

Regarding the congestion zone issue, Ms. Park reported that a new zone category called inactive zones was adopted and would be applied specifically to San Francisco. She stated that because there is no competitive market structure in the City a congested zone designation does not apply.

c. Presentation on Contracting Procedures.

Karen Kubick, Project Manager, discussed the background of the project and the process in which the study was undertaken.

Julina Johnson, a consultant for the project, discussed her findings concerning the organizational aspects of the consultant contracting process. She stated that the causes of delays in the contracting process are due to the absence of a centralized contract administration staff. She said there is also a lack of communications between staff, the supervisors and the contractor.

Ms. Johnson recommended centralizing the contract administration planning and project management functions within the Utilities Engineering Bureau, defining communication principles and working relationships, establishing a process and control for solving policy issues vs. administrative issues, and standardizing the contracting process and project management throughout the Public Utilities Commission.

James F. White, the consultant responsible for reviewing the department's existing consultant selection procedures, discussed his findings. He commented that the Request For Proposal (RFP) selection process is a long and tedious process. He stated that PUC contracts need to have clear well-defined scope of work. He stated that management control over the contracts was inadequate.

Mr. White recommended establishing a long range plan framework of consolidating consultant hiring, developing clear project definitions, modifying the selection criteria, improving the scope of work, consolidating the project management function under the Utilities Engineering Bureau, and establishing cost criteria.

Commissioner Makras commented that the written report submitted by the consultant revealed major internal deficiencies that were not addressed in the oral presentation. He emphasized the importance of proceeding with starting a plan to alleviate the problems identified in the study. Mr. Moran stated that staff would prepare an action plan for the next Commission meeting.



8. Public Comments

There were none.

## REGULAR

9. To consider a process for administering, budgeting and planning the use of Public Utilities Commission owned housing.

Mr. Moran discussed the process proposed by staff for administering and planning the use of PUC owned housing. The proposed process involved: preparing an inventory of housing; categorizing housing according to the benefits received whether operational, in lieu of paying for commercial lodging, or excess housing; authorizing the filling of housing according to those categories; and reviewing the policies and assignments annually.

Mr. Moran stated that staff would submit a resolution to the Commission that would establish a budgeting process for the housing stock, allocate housing for certain uses, establish rules for use of those facilities and establish the rental of housing facilities based on market rates.

Commissioner Werbe suggested including the actual revenues and actual rental rates of each housing unit in the list of all PUC owned housing.

Commissioner Makras stated that he would like a comprehensive policy that delineates the possibility of charging tenants for utilities, and allowing necessary capital improvement work on units needing repair. Commissioner Makras suggested including a provision in the policy that the Commission would conduct an ongoing review of the rates and the housing categories. If there were any changes, tenants would be notified. Commissioner Werbe concurred that the tenants and the Commission should be aware of every aspect pertaining to the housing agreement.

Commissioner Cook suggested conducting a survey of the market value of the units and how many are excess. He suggested using excess units to provide subsidized housing for the community. Mr. Moran responded that there are certain risks to be considered if the area is opened to the general public.

Supervisor Mark Thornton of Tuolumne County expressed his concerns about operational issues and preservation of the cultural heritage of the area if the housing facilities were razed. He wanted to protect the historic integrity of the housing compound.

Bev Shane, Tuolumne County Planning Director, stressed the importance of preserving the cultural heritage of the housing compound for the City of San Francisco and Tuolumne County. She volunteered their agency's assistance in studying the cultural resources and importance of the compound as a landmark.

Mike Siegenthaler, President of the Yosemite Gateway Hostel Society, showed a video presentation about the hostelling activities of the American Youth Hostel Society. He requested that the Commission give their organization 40 of the excess housing units, the school and the store for use in their education program.

Dietrich von Dahlen from the Central California Council Hostelling Society, urged the Commission to give the society the opportunity to manage the excess housing.

James Bryant, SEIU Local 790 representative, urged the Commission to continue working with Local 790 regarding housing.

No action was taken.

10. Adopting a Records Retention Schedule for Hetch Hetchy Water and Power.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 10, passed (5-0) unanimously.

Resolution No. 97-0175: Adopting a Records Retention Schedule for Hetch Hetchy Water and Power.

11. Authorizing an agreement with the Salvation Army, St. Vincent De Paul and Goodwill to distribute ultra low-flow toilets to single family customers.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 11, passed (5-0) unanimously.

Resolution No. 97-0176: Authorizing the Manager of Customer Services Bureau to enter into an agreement with the Salvation Army, St. Vincent De Paul and Goodwill to distribute 2,000 ultra low-flow toilets to single family customers.

12. Amending the Peninsula Watershed Management Plan Preferred Alternative to consider the Bay Area Ridge Trail route on the Peninsula watershed.

Mr. Moran noted that the agenda item proposed to put two options for interim use of the trail into a fast track CEQA environmental review process. The two proposals were the docent program and the volunteer patrol program. Staff will return to the Commission after CEQA review to declare a project.

Commissioner Cook commented that he would not support the reopening of the ridge trail proposal as it would endanger the environment in the watershed, increase fire danger and increase the risks to water quality.

Tim Lane, representing the Bay Area Ridge Trail Council, commented that the Bay Area Ridge Trail Council, the National Park Service, and the County of San Mateo are promoting the docent program as it meets the requirements of the Negative Declaration.

Doug Kerseg, representative of the San Mateo County Bay Area Ridge Trail Council, commented in favor of moving forward with the reopening of the ridge trail proposal.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 12, passed (4-1). Commissioner Cook voted no.

Resolution No. 97-0177: Amending the Peninsula Watershed Management Plan Preferred Alternative to consider the Bay Area Ridge Trail route on the Peninsula watershed as recommended by the San Francisco Board of Supervisors; and identifying options for an interim trail program to provide public access to the proposed route effective this summer.

13. Approving the plans and specifications and authorizing bid call for Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs.

Moved by Commissioner Werbe, seconded by Commissioner Caen, to adopt Item 13, passed (5-0) unanimously.

Resolution No. 97-0178: Approving the plans and specifications and authorizing bid call for Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs.

14. Approving Contract Modifications to Water Department Contract No. WD-2199, Repaving Street and Sidewalk Openings for San Francisco Water Department for Fiscal Year Ending June 30, 1997; and approving bid call for Water Department Contract WD-2229, Repaving Street and Sidewalk Openings for San Francisco Water Department for Fiscal Year Ending June 30, 1998.

Commissioner Cook expressed concerns that the contract with A. Ruiz Construction is being extended at a 7% price hike. Commissioner Werbe suggested amending the resolution and direct staff to negotiate with the contractor to hold the original unit price as bid or to minimize unit price increases in the contract to not exceed 7% of the original bid unit price. He also suggested conducting an audit of the project.

Moved by Commissioner Werbe, seconded by Commissioner Caen, to adopt Item 14 as amended, passed (5-0) unanimously.

Resolution No. 97-0179: Approving Contract Modification No. 1 to Water Department Contract No. WD-2199, Repaving Street and Sidewalk Openings for San Francisco Water Department for Fiscal Year Ending June 30, 1997, extending contract completion date from June 30, 1997 to December 31, 1997 and increasing the contract amount by \$126,147.80; approving Contract Modification No. 2 increasing the total contract amount by an additional \$637,110.10; approving bid call for Water Department Contract WD-2229, Repaving Street and Sidewalk Openings for San Francisco Water Department for Fiscal Year Ending June 30, 1998; approving a fund transfer of \$637,110.10 from "Services of DPW" to "Other Current Services" in CDD's 1997-98 budget; and requesting the Board of Supervisors to approve the increase in the contract amount exceeding 10% of the original contract amount.

On recommendation by President Normandy, Items numbered 15, 16, 17, 18, 19 and 20 were taken collectively.

Moved by Commissioner Caen, seconded by Commissioner Werbe, to adopt Items 15, 16, 17, 18, 19 and 20, passed (5-0) unanimously.

15. Resolution No. 97-0180: Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2205, 8-Inch Ductile Iron Main Installation in O'Farrell Street between Broderick and Fillmore Streets, in Ellis Street

between Divisadero and Steiner Streets, and in Pierce and Steiner Streets between O'Farrell Street and Ellis Street; and authorizing advertisement for bids.

16. Resolution No. 97-0181: Authorizing the General Manager of Public Utilities to enter into an Amended Utility Agreement with the State Department of Transportation for the relocation of sewer mains, box culverts, and storm drains to accommodate the State's retrofit of Highway 101 from Mission Street to the Highway 80 Interchange.
17. Resolution No. 97-0182: Approving the final plans and specifications for Contract Specification No. 1438N, Tenth/Twenty-Third Avenues Sewer Replacement, to replace existing 12-inch and 18-inch diameter ISP and 12-inch diameter VCP with 12-inch, 18-inch and 21-inch diameter VCP sewers in Twenty-Third Avenue from Lincoln Way to Irving Street, Tenth Avenue from Judah to Kirkham Streets and Tenth Avenue from Ortega to Pacheco Streets and authorizing advertisement for bids.
18. Resolution No. 97-0183: Approving the final plans and specifications for Contract Specification No. 1248N, Various Pump Stations Improvements - Contract 2, to upgrade and install new mechanical, structural and electrical equipment and services at the Sunnydale and Tennessee Street Pump Stations, and authorizing advertisement for bids.
19. Resolution No. 97-0184: Approving the final plans and specifications for Contract Specification No. 1253N, 12th Street Sewer Replacement, to replace the existing 3' x 5' brick sewer with 36-inch diameter RCP class IV sewer in 12th Street from Harrison Street to Folsom Street and authorizing advertisement for bids.
20. Resolution No. 97-0185: Approving the final plans and specifications for Contract Specification No. 1432N, Post Street Sewer Replacement, from Divisadero to Baker Streets and authorizing advertisement for bids.



21. Approving advertisement for bids for Contract Specification No. 1465N, "Southeast Water Pollution Control Plant (SEWPCP) Roofing Repair for Buildings 930 and 850".

Commissioner Makras commented that the contract was very expensive for a roof repair job and the agenda item submitted by staff did not separate the costs between roof repair and asbestos abatement work.

Commissioner Werbe inquired why staff's cost estimate is indicated in bid documents. Thomas M. Berliner, Utilities General Counsel, said that he would prepare a response regarding the legal requirements of including cost estimates for competitive bidding.

Moved by Commissioner Caen, seconded by Commissioner Werbe, to adopt Item 21, passed (4-1). Commissioner Makras voted no.

Resolution No. 97-0186: Approving the final plans and specifications for Contract Specification No. 1465N, "Southeast Water Pollution Control Plant (SEWPCP) Roofing Repair for Buildings 930 and 850" and authorizing advertisement for bids.

22. Authorizing the Manager of Systems Planning and Regulatory Compliance to negotiate and execute an agreement with CH2M Hill/AGS, Inc., a joint venture, to provide professional services associated with implementation of the Groundwater Master Plan at a cost not to exceed \$650,000. (Continued from the meeting of May 27, 1997.)

Steven Ritchie, Manager of the Bureau of System Planning & Regulatory Control, explained that the contract being requested at this time covers the costs of installing salt water intrusion and groundwater quality monitoring wells, and ongoing technical support of a hydrogeologist for the development of a groundwater management master plan.

Commissioner Cook moved, seconded by President Normandy, to adopt the resolution.

Commissioner Makras commented that he would vote against the motion as the project was too costly and it seemed that staff were doing a variety of similar work. He stated that the project could be performed in-house by staff. Commissioner Werbe asked if work could be done for less than \$650,000.

Commissioner Cook and President Normandy withdrew their motion.

Mr. Ritchie noted that the cost of the project would be spent on the installation of 15 to 20 monitoring wells to stop sea water intrusion.

President Normandy moved, seconded by Commissioner Cook, to continue Item 22 to the next regular Commission meeting scheduled on June 24, 1997 for staff to provide additional information; passed (5-0) unanimously.

23. Public Hearing - Approving the Revised Rules and Regulations governing the Public Utilities Commission Revolving Funds.

There were no public comments.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 23, passed (5-0).

Resolution No. 97-0187: Approving the Revised Rules and Regulations governing the Public Utilities Commission Revolving Funds.

On recommendation by President Normandy, the Commission took Items numbered 25, 26 and 27 out of order.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Items 25 and 26; passed (5-0) unanimously.

25. Resolution No. 97-0188: Authorizing the General Manager of Public Utilities to execute a lease with AT&T Wireless Services, Inc. for placement of cellular communications antennas on Hetch Hetchy Parcel No. 672 including Tower No. 418N, located at Prescott Road and Connett Avenue in the City of Modesto, at a monthly rental rate of \$750 and a monthly license fee of \$115.
26. Resolution No. 97-0189: Authorizing the General Manager of Public Utilities to execute a joint permit with Pacific Bell and Pacific Gas and Electric Company for underground utility installations including placement of conduit and service boxes over the Islais Creek sewer box along Cesar Chavez Way in San Francisco.



27. Authorizing the General Manager of Public Utilities to execute a permit with the City of Fremont.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 27, passed (5-0) unanimously.

Resolution No. 97-0190: Authorizing the General Manager of Public Utilities to execute a permit with the City of Fremont, for installation of underground utility facilities on a portion of Parcels 1216(2) and 1210 of the Bay Division Pipelines Nos. 1 and 2 right of way in Fremont.

Note: Commissioner Caen was excused at 5:30 p.m.

24. Accepting the State revolving fund loans offered by the State Water Resources Control Board.

Ann Carey of the Finance Bureau advised that the City Attorney's Office was reviewing the City's authority to accept State loans under the New Charter. She stated that the Old Charter had a provision specific to acceptance of State loans that was not included in the New Charter. Staff was requesting approval of the Commission to proceed with the process of obtaining authorization from the Board of Supervisors to accept the loan pending the results of the City Attorney's review. The City Attorney's Office is also consulting with bond counsel to determine the appropriate procedure in accepting the loan.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 24, passed (4-0) unanimously.

Resolution No. 97-0191: Accepting the state revolving fund loans offered by the State Water Resources Control Board in the amount of \$50 million with a repayment period of 20 years at a 0% interest rate for various Clean Water Program projects; and recommending to the Board of Supervisors acceptance of said loans.

## CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.

There were none.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel, passed (3-0) unanimously.

Commissioner Makras was excused from 5:30 p.m. to 5:34 p.m.

The Public Utilities Commission met in Closed Session from 5:35 p.m. to 6:25 p.m. to discuss the following matters:

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portion of Parcel 11 of San Mateo County lands, former Muni right of way in San Bruno, California
Parties Negotiating:	Lymburn/Dowd
Lessee:	Artichoke Joe's
Under Negotiation:	Price and Terms

No action was taken on Item 30.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation:

- 1) Bay Delta Hearings before the State Water Resources Control Board.
- 2) Electric Restructuring Hearings before the California Public Utilities Commission.
- 3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to continue Item 31 to the next regular meeting scheduled on June 24, 1997; passed (4-0) unanimously.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)

Existing Litigation: Pacific Gas and Electric Company v. CCSF, Superior Court No. 969837.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to authorize the General Manager and request the City Attorney to take any action necessary to effectuate a settlement of the case; passed (4-0) unanimously.

Resolution No. 97-0192: Authorizing the General Manager and requesting the City Attorney to take any action necessary to effectuate the settlement in the case of Pacific Gas & Electric Company v. City and County, Superior Court Case No. 969837 and the execution of associated agreements.

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

Moved by Commissioner Werbe, seconded by Commissioner Makras, to continue Item 33 to a special meeting not specified; passed (4-0) unanimously.

The Public Utilities Commission reconvened in public session at 6:30 p.m.

34. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

35. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Werbe, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 6:31 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

June 24, 1997

1:00 P.M.  
Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUN 20 1997

SAN FRANCISCO  
PUBLIC LIBRARY

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Public Employee Campaigning (Delventhal)
  - b. Who is the Bay Area Water Users Association (BAWUA)? (Jensen)
  - c. Third Street Light Rail Briefing (Olive)
  - d. Contracting Procedures - Next Steps (Moran)
  - e. Surety Bond Program (Johnson)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.



## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

9. Establishing a policy to encourage small business participation in PUC construction, professional services, other services and supply contracts. (Moran)
10. Endorsing the submission of two bond measures to the voters of San Francisco at the November 1997 election: \$147 Million Safe Drinking Water Bonds and \$157 Million Water System Reliability and Seismic Improvement Bonds. (Moran)

### **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

11. Reaffirming the current grazing element to be included in the Draft Alameda Creek Watershed Management Plan or identifying a new one. (Stewart)

### **CUSTOMER SERVICE BUREAU**

**John P. Mullane, Manager**

12. Approving Modification No. 5 to Contract No. CTPW #90-36598 with Business Development Inc. increasing the contract amount by \$58,703 and extending the contract period for the services of an Odor Control Specialist from January 1, 1997 to June 30, 1997. (Mullane)

## **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

13. Approving the final plans and specifications for San Francisco Water Department Contract WD-2209, 8-Inch Ductile Iron Main Installation in Cortland Avenue between Mission Street and Bayshore Boulevard; and authorizing the Utilities Engineering Bureau to advertise for proposals. (Cockburn)
14. Approving the final plans and specifications for San Francisco Water Department Contract WD-2225, Valving and Chlorination/Dechlorination Systems at San Antonio Pump Station as amended; and awarding the contract to Schram Construction, Inc., as the lowest responsive bidder. (Cockburn)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

15. Authorizing the Manager of Systems Planning and Regulatory Compliance to negotiate and execute an agreement with CH2M Hill/AGS, Inc., a joint venture, to provide professional services associated with implementation of the Groundwater Master Plan at a cost not to exceed \$650,000. (Continued from the meeting of June 10, 1997.) (Ritchie)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

16. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the Grant of Easement of approximately 98.8 square feet of PUC land to Pacific Gas & Electric (PG&E) for the purpose of relocating and upgrading certain utilities owned by PG&E into an underground vault located at the Southeast Treatment Plant at 750 Phelps Street in San Francisco. (Dowd)

17. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the vacation of a portion of a sewer and public utility easement comprising approximately 3,826 sq. ft. of PUC land located in the former Octavia Street between Post Street and Geary Boulevard and to quitclaim same to Northern California Presbyterian Homes and Services (NCPHS) for the sum of \$175,000.00. (Dowd)

### CLOSED SESSION

18. Public Comments on matters to be discussed in Closed Session.
19. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

#### THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Mahoney)

Existing Litigation: Thomas R. McAfee v. City and County of San Francisco  
Claim Number 95-04163

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Milstein)

Existing Litigation: California Trout v. City and County of San Francisco

23. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

- Existing Litigation: 1) Bay Delta Hearings before the State Water Resources  
Control Board.
- 2) Electric Restructuring Hearings before the California Public  
Utilities Commission.
- 3) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

24. Announcement following Closed Session.

25. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# MINUTES

Main Public Library  
Government Information Center  
100 Larkin Street, 5th Floor

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

Willie L. Brown, Jr.  
MAYOR

JUL 15 1997  
SAN FRANCISCO  
PUBLIC LIBRARY

## REGULAR MEETING

June 24, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

## COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

## DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 1:10 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

3. Approval of Minutes

Commissioner Makras requested that the Minutes be amended on Page 97-159 to reflect his comments that the consultants' presentations were severely different from their written reports.

On motion of Commissioner Makras, seconded by Commissioner Caen, the Minutes of June 10, 1997 were approved, as amended, (5-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Makras requested that staff calendar the housing matter for the July 22, 1997 meeting rather than the July 8, 1997 meeting.

In response to President Normandy's request, Anson Moran, General Manager of Public Utilities, reported on the current status of the 1997/98 budget request before the Board of Supervisors. He said that staff responded to questions regarding two new positions in the budget.

Commissioner Makras inquired about the \$2.7 million increase in the PUC's contribution to the general fund. He asked how this would be accomplished. Mr. Moran replied that the Commission would be asked to make findings that the money could be transferred and the department's budget would remain within the bounds of prudent utility practices in meeting its obligations.

Commissioner Makras asked that Hetch Hetchy present its list of 5 percent efficiencies at the July 22, 1997 meeting.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

a. Public Employee Campaigning

Burk Delventhal, Deputy City Attorney, discussed the issue of public employee involvement in political campaigning. He said that there was a body of law which says that those who are entrusted with the reigns of governmental power cannot use those reigns to control the governmental process. The law makes no distinction between candidate elections and ballot measure elections. It refers to "on duty" activities of public officers and employees; it does not refer to the individual's "off duty" activities. The law protects the individual's right to engage in off duty activities. On off duty time, an individual may put together a campaign, raise money from private sources, and make partisan presentations. On duty activities are limited to providing a balanced presentation of facts which avoids advocating on side or the other, that is designed to assist voters in understanding the pros and cons so that they may make an informed judgment. He said that public employees may: provide information if requested; foster public debates and invite the "for" and "anti" campaigns to participate; sign a ballot argument or make public presentations as individual Commissioners on their own time and using their title, as long as the public was not misled to believe that the Commissioner was speaking for the Commission. Mr. Delventhal said that recent amendments to the law prohibit Commissioners from soliciting contributions for a campaign from people who have permits, contacts or other entitlements pending before the Commission or if a contract were approved within the last three months.

b. Who is the Bay Area Water Users Association (BAWUA)?

Arthur Jensen, General Manager of the Bay Area Water Users Association, used electronic slides to describe the BAWUA organization and its membership who purchase water from the Public Utilities Commission and provide water to 30 Bay Area communities. He named several large firms that are located within the BAWUA service area. He said that the BAWUA service area is home to 63 of the top 100 companies in the Bay Area, 6 of the 10 largest software companies, 17 of the largest venture capital firms, a majority of the largest biotech firms, and provide 25 percent of all of the jobs in the 9 Bay Area counties. He said that BAWUA agencies buy two-thirds of the City's water which provides them with two-thirds of their water demand.

At 2:00 P.M. Commissioner Werbe was excused.

c. Third Street Light Rail Briefing

Sue Olive, Project Manager, Third Street Light Rail Project, Public Transportation Commission (PTC), described the project which would extend rail service from the Caltrain Bayshore Station at the San Mateo/San Francisco County line northward into the downtown area. She said that there were multiple terminal options and multiple locations under consideration for a new Muni rail yard which is part of this project. The long term alignment which is planned for implementation in 10 to 15 years would

conflict with a 96 inch sewer at Mission Street. She said that staff of the PTC would work with the PUC to resolve this issue.

d. Contracting Procedures - Next Steps

Mr. Moran used electronic slides to present a follow up to the consultants' presentations at the June 10, 1997 meeting. He pointed out that when the Commission approves the operating budget staff is authorized to hire new positions and purchase materials and supplies. That is not the case in the area of contracting. The authority is reserve to the Commission. He proposed that the actions taken by the Commission have standard meanings, confer some level of authority to staff and build upon prior actions. One illustration would be that when the budget is approved that the Commission would grant the authority to issue requests for proposals. The Commission would still approve the award of contracts and any amendments. Possible problems with this process is that it would eliminate PUC review of the work scope and of the minority and women owned business goals. The Commission could choose to design various solutions to these situations, such as altering the budget process, or delegating the responsibility to staff or to the Purchaser and the Administrator. He said that staff would propose a series of standard decision types and definitions of authority that should be conferred at the various steps of the process. This would be presented at the first meeting in August. He said that centralizing the contracting organization was well underway and would be in effect on July 1, 1997. Mr. Moran described the following types of contracts: standard contract for a specific scope of work; as needed contracts; phased contracts for multi-year projects; and ongoing contracts, which are intended to be renewed, such as litigation contracts. A more detailed definition would be presented to the Commission in August. Regarding new procedures for contractor selection, he said that staff would present those procedures at the first meeting in September.

Commissioner Makras commented that he was surprised to hear that the Commission wanted to do less review of contracts. It was his opinion that after receiving the consultants' reports that the Commission should become more involved in oversight of contracting procedures. He wanted to know what would be done about the backlog or logjam before going forward. Regarding budgeting, he suggested that when money is budgeted for a project and it is not spent within the budget year, that the money would be returned to the pot and the project reconsidered.

President Normandy said that he would like to continue to see the contracts but in a different manner. He suggested beginning with the budget process which identifies the funding level and then identifies how the money would be spent. He suggested determining the classification of contracts and the rules that bind within those classifications. He suggested that staff include more of the perspective for each item, the background, and the process that preceded this decision point.

e. Surety Bond Program

Michael Johnson, Consultant for the Airport Surety Bond Program, described the program and said that it was geared to assist small and emerging contractors in obtaining bid, performance and payment bonds and financing at the Airport. Since December 1994, the program has written approximately \$40 million in bid bond guarantees and \$12 million in final bonds. He said that the program would be expanded citywide, which would include the PUC. The program focuses on the contractor's character, their capacity to do the job, and providing them with access to capital. The Airport had cultivated a bondable and bankable pool of contractors who would be available for PUC contracts.

8. Public Comments

There were no public comments.

## REGULAR

9. Establishing a policy to encourage small business participation in PUC construction, professional services, other services and supply contracts.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 9, passed (4-0) unanimously.

Resolution No. 97-0193: Setting internal objectives to increase prime contracting participation by small and emerging businesses by 50% over current fiscal years participation for all contracts commencing fiscal year 1997-1998 until parity with the City-wide goals are achieved; and directing staff to implement outreach procedures, implement technical assistance programs, and to streamline bureaucratic procedures.

10. Endorsing the submission of two bond measures to the voters of San Francisco at the November 1997 election.

Moved by President Normandy, seconded by Commissioner Caen, to adopt Item 10, passed (4-0) unanimously.

Resolution No. 97-0194 Endorsing the submission of two bond measures to the voters of San Francisco at the November 1997 election: \$147 Million Safe Drinking Water Bonds and \$157 Million Water System Reliability and Seismic Improvement Bonds.



11. Reaffirming the current grazing element to be included in the Draft Alameda Creek Watershed Management Plan or identifying a new one.

Mr. Moran stated that following the last meeting on the grazing issue, the direction was for staff to proceed to take a risk management approach as outlined in the Hazard Analysis of Critical Control Points (HACCP) Program and the information from staff that it may be possible to eliminate the primary element of risk by eliminating calves during their first 4 months. Mr. Moran described the issues which arose during the development of a management plan.

He said that to eliminate calves would result in a "stocker" operation where cows with their calves would be removed from the watershed and new cattle (stockers) would be brought in to graze so as to fatten them for sale. He said that the stocker cattle may not meet the department's needs for protecting the watershed. Staff looked into the cow/calf type of operation to see if it could be managed in a way to minimize the impact of the presence of calves on the watershed. Management measures considered were: control of their location on the watershed by fencing; control of conception in relationship to young calves on the watershed during the runoff season; and control of the length of time for breeding. This information was developed with the grazers.

Edward Stewart, Watershed Manager, used electronic slides to present various options and different calving times. The staff recommendation was option 2B, Early Fall Calving Operation.

President Normandy requested that staff prepare a management plan that would assure the Commission that its implementation would put the at risk population at an absolute minimum risk of cryptosporidium contamination, that the Commission would not do damage to the City by either having to establish or fund vegetation and fire management programs and would allow for the continuation of leases in a controlled fashion.

Commissioner Caen requested that the report contain the amount of fencing that would be required and who would pay the cost.

Commissioner Makras said that he would like to see the fencing over the ridge from the reservoir. Mr. Moran replied that that would not always be possible. He said that a specific fencing plan had been developed by staff.

Ray Budzinski, Range Management Specialist for the East Bay Regional Park District, spoke in support of grazing and said that the Park District maintains grazing on 50,000 acres of its land and leases 3,000 acres of Water Department land for grazing.

Sheila Barry, representing the Alameda County Resources Conservation District, urged adoption of the staff recommendation. She stated that if the department were to change to a stocker or dairy operation more cattle would graze during the wet

season which would increase the water quality risk.

Tony Leone, AIDS Action Director for the Alice B. Toklas Lesbian & Gay Democratic Club, expressed the following concerns. He supported getting cows and other animals out of the water. He said that the department needs to move toward removal of the feral pig population and rodents. He suggested that fencing should be strong enough to keep out wild elk, developed water should be available for the animals to keep them away from streams, and that the no cattle zone should be wide enough to prevent animal waste from washing into streams.

Commissioner Makras asked whether Mr. Leone would sign-on to plan 2B. He replied that it seemed the most "do-able" plan if his concerns are adequately addressed. President Normandy stated that it would be impossible to have zero risk and he was glad to hear that plan 2B seems to be something that approaches do-able and with a few modifications added, might be something that we could all live with. Mr. Leone responded affirmatively.

Nancy Richardson, representing the Santa Clara County Farm Bureau, stated that she appreciated the PUC taking a leadership role in developing this plan. She supported option 2B, the cow/calf plan.

Mr. Stewart stated that staff had focused on the San Antonio Reservoir area in developing this plan and would expand it to the entire watershed in the development of the management plan.

This matter was continued for staff to develop a management plan.

12. Approving Modification No. 5 to Contract with Business Development Inc. for the services of an Odor Control Specialist.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 12, passed (4-0) unanimously.

Resolution No. 97-0195    Approving Modification No. 5 to Contract No. CTPW #90-36598 with Business Development Inc. increasing the contract amount by \$58,703 and extending the contract period for the services of an Odor Control Specialist from January 1, 1997 to June 30, 1997.

13. Approving the final plans and specifications for San Francisco Water Department Contract WD-2209, 8-Inch Ductile Iron Main Installation in Cortland Avenue between Mission Street and Bayshore Boulevard.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 13,

passed (4-0) unanimously.

Resolution No. 97-0196 Approving the final plans and specifications for San Francisco Water Department Contract WD-2209, 8-Inch Ductile Iron Main Installation in Cortland Avenue between Mission Street and Bayshore Boulevard; and authorizing the Utilities Engineering Bureau to advertise for proposals

14. Approving the final plans and specifications for San Francisco Water Department Contract WD-2225, Valving and Chlorination/Dechlorination Systems at San Antonio Pump Station as amended; and awarding the contract to Schram Construction, Inc.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt Item 14, passed (4-0) unanimously.

Resolution No. 97-0197 Approving the final plans and specifications for San Francisco Water Department Contract WD-2225, Valving and Chlorination/Dechlorination Systems at San Antonio Pump Station as amended; and awarding the contract to Schram Construction, Inc., as the lowest responsive bidder.

15. Authorizing the Manager of Systems Planning and Regulatory Compliance to negotiate and execute an agreement with CH2M Hill/AGS, Inc., a joint venture, to provide professional services associated with implementation of the Groundwater Master Plan at a cost not to exceed \$650,000. (Continued from the meeting of June 10, 1997.)

Commissioner Caen questioned the overall cost of the project and noted that according to the comparison of rates, Sierra Environmental Services appeared to have lower rates. Steven Ritchie, Manager of the Bureau of System Planning and Regulatory Compliance, identified the cost allotted for each of the major tasks. He said that \$175,000 would be for as needed technical support.

Commissioner Makras questioned the need for contracting for \$175,000 that is not slated to be spent and the need for a 1,000 foot deep well. Mr. Ritchie replied that the money would be spent for the services of an hydrologist which may cost from \$125,000 to \$175,000. The deep well is needed to identify the depth of salt water intrusion because salt water is heavier than fresh water.

Emeric Kalman spoke in opposition to the contract. He stated that the master plan was in environmental review. He said that we cannot extract more water from Lake Merced and other lakes because our lakes are at an historically low level due to leaks in the water table. He asked the Commission to investigate why so much money had been spent on the groundwater project. He said that the Board of Supervisors'



resolution said that if the plan is not economically feasible, that the department did not need to go further.

On motion by President Normandy, seconded by Commissioner Makras, this item was continued to a date uncertain.

Mr. Moran said that there appeared to be doubt about the groundwater program. Commissioner Caen and Commissioner Makras said that it was a concern of theirs. Commissioner Caen pointed out that \$2,500,000 had been spent to date. Commissioner Makras noted that it had been 6 years since this program began during the drought. He questioned whether we should continue the program.

16. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the Grant of Easement of approximately 98.8 square feet of PUC land to Pacific Gas & Electric (PG&E).

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0198     Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the Grant of Easement of approximately 98.8 square feet of PUC land to Pacific Gas & Electric (PG&E) for the purpose of relocating and upgrading certain utilities owned by PG&E into an underground vault located at the Southeast Treatment Plant at 750 Phelps Street in San Francisco.

17. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the vacation of a portion of a sewer and public utility easement comprising approximately 3,826 sq. ft. of PUC land located in the former Octavia Street between Post Street and Geary Boulevard and to quitclaim same to Northern California Presbyterian Homes and Services (NCPHS) for the sum of \$175,000.00.

Commissioner Makras moved to continue this item for more information on the fair market value of the property, seconded by Commissioner Caen. This item was continued to July 22, 1997 by unanimous vote (4-0).

## CLOSED SESSION

18. Public Comments on matters to be discussed in Closed Session.

There were no public comments.

19. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel, passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 5:05 p.m. to 5:30 p.m. to discuss the following matters:

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

No action was taken on Item 20.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Thomas R. McAfee v. City and County of San Francisco  
Claim Number 95-04163

Moved by Commissioner Makras, seconded by Commissioner Cook, to approve settlement of the claim; passed (4-0) unanimously

Resolution No. 97-0199 Recommending that the Board of Supervisors settle the claim of Thomas R. McAfee v. City and County of San Francisco Claim Number 95-04163.

President Normandy was excused at 5:15 p.m.

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California Trout v. City and County of San Francisco

No action was taken on Item 22.

23. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

- Existing Litigation:
- 1) Bay Delta Hearings before the State Water Resources Control Board.
  - 2) Electric Restructuring Hearings before the California Public Utilities Commission.
  - 3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken on item 23.

The Public Utilities Commission reconvened in public session at 5:30 p.m.

24. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

25. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:31 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

July 8, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

### COMMISSIONERS

E. Dennis Normandy, President  
Victor G. Makras, Vice President  
Robert K. Werbe  
Frank L. Cook  
Ann Moller Caen

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### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

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Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

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Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Budget Update
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

9. Approving the Memorandum of Understanding between the City and County of San Francisco Public Utilities Commission and the California Department of Fish and Game relative to Calavaras Reservoir water releases and urging the Board of Supervisors to approve the Memorandum of Understanding. (Moran)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

10. Authorizing the General Manager of the Public Utilities Commission to enter into the Second Modification to the Martha H. Lennihan Agreement, increasing the contract funding by \$70,000, for a total contract amount not to exceed \$150,000, and extending the contract term to December 31, 1997. (Klein)

### **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

11. Awarding Hetch Hetchy Water & Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II in the amount of \$300,000 to Midwest Painting, Inc., as the lowest responsive bidder. (Cockburn)
12. Approving an extension of time for the completion of Hetch Hetchy Water & Power Contract No. HH-841(R), Hetch Hetchy Monitoring Improvements - West by 200 calendar days to December 31, 1997, with no increase in the Contract amount. (Cockburn)



13. Approving plans and specifications and authorizing Bid Call for Utilities Engineering Bureau Contract Specification No. 1396N, Broderick/Fell/Sutter Streets Sewer Replacement. (Cockburn)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

14. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the jurisdictional transfer of two parcels of land under the jurisdiction of the Public Utilities Commission located at Indiana Street and Cesar Chavez Boulevard in San Francisco to the Public Transportation Commission, at historical costs. (Dowd)
15. Authorizing the General Manager of Public Utilities to amend the personal services contract with Mr. Bruce Lymburn by increasing the amount from \$300,000 to \$400,000 and extending the term to December 31, 1998. (Dowd)

## **CLOSED SESSION**

16. Public Comments on matters to be discussed in Closed Session.
17. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

**THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:**

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Mahoney)

Existing Litigation:           Amaral and Olmstead v. CCSF  
                                      Alameda County Superior Court No. H-1931477

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources  
Control Board.

2) Electric Restructuring Hearings before the California Public  
Utilities Commission.

3) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

21. Announcement following Closed Session.

22. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

# ADDENDUM TO PUC AGENDA

## CITY AND COUNTY OF SAN FRANCISCO PUBLIC UTILITIES COMMISSION

1:00 P.M.  
July 8, 1997  
1155 Market Street, 4th Floor

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### REGULAR AGENDA

#### BUREAU OF COMMERCIAL LAND MANAGEMENT

**Gary M. Dowd, Manager**

15. (a) Authorizing the General Manager of Public Utilities to execute an Agreement Respecting Construction Concession and Waiver and Release of Claims with Artichoke Joe's, a California corporation, the Bay Area Rapid Transit District and the Public Utilities Commission concerning certain lands located in the City of San Bruno under the jurisdiction of the Public Utilities Commission.

### CLOSED SESSION

20. (a) Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 11 of San Mateo County lands, former  
Muni right of way in San Bruno, California  
Parties Negotiating: Lymburn/Dowd  
Lessee: Artichoke Joe's  
Under Negotiation: Price and Terms



**MINUTES**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

**Willie L. Brown, Jr.**  
**MAYOR**

**REGULAR MEETING**

**July 8, 1997**  
**1:00 P.M.**  
**Room 402**  
**1155 Market Street, Fourth Floor**

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**COMMISSIONERS**

**E. Dennis Normandy, President**  
**Victor G. Makras, Vice President**  
**Robert K. Werbe**  
**Frank L. Cook**  
**Ann Moller Caen**

**DEPARTMENTS**

**Water Department**  
**Hetch Hetchy**  
**Clean Water Program**

**BUREAUS**

**Commercial Land Management**  
**Customer Service**  
**Engineering and Construction Management**  
**Environmental Regulation and Management**  
**Finance**  
**Information Systems**  
**Personnel and Training**  
**System Planning and Regulatory Compliance**  
**Water Pollution Control**

**Anson B. Moran**  
**GENERAL MANAGER**

**Romaine A. Boldridge**  
**SECRETARY**



1. Call to Order: 1:10 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

Vice President Victor G. Makras arrived at 3:20 P.M. during the discussion of the Closed Session agenda.

Commissioner Robert K. Werbe was excused.

3. Approval of Minutes

On motion by Commissioner Caen, seconded by Commissioner Cook, the Minutes of the Regular Meeting of June 24, 1997, were approved (3-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

President Normandy directed staff to calendar the issue of night lights at the Crystal Springs Golf Course at the next Commission meeting. He stated that he would like staff to report to the Commission regarding the potential problems of night lights in relation to the Grant of Scenic Easement.

7. Report of the General Manager

- a. Budget Update

Anson B. Moran, General Manager of Public Utilities, reported that the Public Utilities Commission budget for FY 97-98 passed successfully at the Board of Supervisors Finance Committee. He said the Committee made no changes in the programmatic budget.



With respect to award of contractual services, the Finance Committee requested PUC to report how our contractors were selected, to whom were the contracts awarded and how the MBE/WBE objectives were met.

b. Moccasin Administration HVAC System

Mr. Moran advised that staff prepared a revised plan of upgrading the existing air-conditioning system at the Moccasin Administration building at a cost cheaper than the original proposal. Mr. Moran stated that if the Commission were agreeable, staff would proceed with the revised plan.

8. Public Comments

Rebecca Evans, Chair of the San Francisco Citizens Advisory Committee on Wastewater, introduced herself and the Secretary of their Committee.

9. Approving the Memorandum of Understanding between the City and County of San Francisco Public Utilities Commission and the California Department of Fish and Game.

Joshua Milstein, Deputy City Attorney, stated that staff was proposing to enter into a Memorandum of Understanding (MOU) with the California Department of Fish and Game to settle a seven-year litigation. The MOU would require the City of San Francisco to release 6,300 acre feet of water per year from the Calaveras Reservoir and eventually restore five miles of riparian habitat on Alameda Creek.

Michael Owen, representing California Trout, expressed his appreciation to PUC staff and the Commission for their efforts in coming up with a mutually beneficial settlement.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 9; passed (3-0) unanimously.

Resolution No. 97-0200: Approving the Memorandum of Understanding between the City and County of San Francisco Public Utilities Commission and the California Department of Fish and Game relative to Calaveras Reservoir water releases and urging the Board of Supervisors to approve the Memorandum of Understanding.

10. Authorizing the Second Modification to the Martha H. Lennihan Agreement.

Commissioner Cook reiterated his objection to extending agreements and not putting them out to bid. He suggested establishing a pool of consultants for these types of agreements.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 10, passed (3-0) unanimously.

Resolution No. 97-0201: Authorizing the General Manager of the Public Utilities Commission to enter into the Second Modification to the Martha H. Lennihan Agreement, increasing the contract funding by \$70,000, for a total contract amount not to exceed \$150,000, and extending the contract term to December 31, 1997.

11. Awarding Hetch Hetchy Water & Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 11, passed (3-0) unanimously.

Resolution No. 97-0202: Awarding Hetch Hetchy Water & Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II in the amount of \$300,000 to Midwest Painting, Inc., as the lowest responsive bidder.

12. Approving an extension of time to complete Hetch Hetchy Water & Power Contract No. HH-841(R), Hetch Hetchy Monitoring Improvements - West.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 12, passed (3-0) unanimously.

Resolution No. 97-0203: Awarding Hetch Hetchy Water & Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II in the amount of \$300,000 to Midwest Painting, Inc., as the lowest responsive bidder.

13. Bid call for Utilities Engineering Bureau Contract Specification No. 1396N, Broderick/Fell/Sutter Streets Sewer Replacement.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 13, passed (3-0) unanimously.

Resolution No. 97-0204: Approving plans and specifications and authorizing Bid Call for Utilities Engineering Bureau Contract Specification No. 1396N, Broderick/Fell/Sutter Streets Sewer Replacement.

14. Transfer of two parcels of land under the jurisdiction of the Public Utilities Commission located at Indiana Street and Cesar Chavez Boulevard in San Francisco to the Public Transportation Commission.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 14, passed (3-0) unanimously.

Resolution No. 97-0205: Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the jurisdictional transfer of two parcels of land under the jurisdiction of the Public Utilities Commission located at Indiana Street and Cesar Chavez Boulevard in San Francisco to the Public Transportation Commission, at historical costs.

15. Amending the personal services contract with Mr. Bruce Lymburn.

Commissioner Caen asked about the 2-1/2 years backlog of expired leases and permits. Mr. Dowd responded that the backlog may have been caused by the fact that some leases required a considerable amount of time and effort. Mr. Moran stated that the Bureau of Commercial Management also had been trying to hire an additional real estate property negotiator but the hiring process took longer than expected.

Commissioner Cook commented that we should be hiring additional staff to carry out real estate functions rather than retaining the services of a consultant. Mr. Moran noted that Mr. Lymburn was an attorney with a lot of experience in real estate negotiations. By having Mr. Lymburn, under contract, staff did not have to use the services of the City Attorney. Mr. Dowd noted that they have conducted the interview process and will soon be hiring someone for the vacant position.

Mr. Bruce Lymburn commented that his firm concentrated on the major leases and on establishing an inventory and database for the department.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 15; passed (3-0) unanimously.

Resolution No. 97-0206: Authorizing the General Manager of Public Utilities to amend the personal services contract with Mr. Bruce Lymburn by increasing the amount from \$300,000 to \$400,000 and extending the term to December 31, 1998.

- 15.(a) Authorizing the General Manager of Public Utilities to execute an Agreement Respecting Construction Concession and Waiver and Release of Claims with Artichoke Joe's, a California corporation, the Bay Area Rapid Transit District and the Public Utilities Commission concerning certain lands located in the City of San Bruno under the jurisdiction of the Public Utilities Commission.

Moved by Commissioner Cook, seconded by Commissioner Caen, to continue Item 15.(a) to the next regular meeting scheduled on July 22, 1997; passed (4-0) unanimously.

## CLOSED SESSION

16. Public Comments on matters to be discussed in Closed Session.

There were none.

17. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Caen, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:50 P.M. to 4:40 P.M. to discuss the following matters:

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Amaral and Olmstead v. CCSF  
Alameda County Superior Court No. H-1931477

Moved by Commissioner Caen, seconded by Commissioner Cook, to recommend a settlement for Item 18; passed (3-0) unanimously.

Resolution No. 97-0207: Recommending to the Board of Supervisors a settlement in the claim of Amaral and Olmstead v. CCSF, Alameda Superior Court No. H-1931477.

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water  
Department property on Bernal Avenue in Alameda  
County.

No action was taken on Item 19.

Commissioner Makras arrived during the discussion of the Closed Session.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources  
Control Board.  
2) Electric Restructuring Hearings before the California  
Public Utilities Commission.  
3) Electric Restructuring Hearings before the Federal  
Energy Regulatory Commission.

No action was taken on Item 20.

20.(a) Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 11 of San Mateo County lands, former Muni  
right of way in San Bruno, California  
Parties Negotiating: Lymburn/Dowd  
Lessee: Artichoke Joe's  
Under Negotiation: Price and Terms

No action was taken on Item 20.(a).

The Public Utilities Commission reconvened in public session.

21. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

22. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:41 P.M.

Romaine A. Boldridge  
Secretary





**AGENDA**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

**Willie L. Brown, Jr.**  
**MAYOR**

**REGULAR MEETING**

**July 22, 1997**  
**1:00 P.M.**  
**Room 402**  
**1155 Market Street, Fourth Floor**

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**COMMISSIONERS**

**E. Dennis Normandy, President**  
**Victor G. Makras, Vice President**  
**Robert K. Werbe**  
**Frank L. Cook**  
**Ann Moller Caen**

**DEPARTMENTS**

**Water Department**  
**Hetch Hetchy**  
**Clean Water Program**

**BUREAUS**

**Commercial Land Management**  
**Customer Service**  
**Engineering and Construction Management**  
**Environmental Regulation and Management**  
**Finance**  
**Information Systems**  
**Personnel and Training**  
**System Planning and Regulatory Compliance**  
**Water Pollution Control**

**Anson B. Moran**  
**GENERAL MANAGER**

**Romaine A. Boldridge**  
**SECRETARY**

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Election of Officers - Pursuant to Rule 6 of the Rules of Order of the Public Utilities Commission.
  - a. President
  - b. Vice President
4. Approval of Minutes
5. Communications
6. Introduction of Old/Ongoing Business by Commissioners
7. Introduction of New Business by Commissioners
8. Report of the General Manager
  - a. Water Bonds (Moran)
  - b. Electric Restructuring Strategic Options. (Klein)
  - c. Hetch Hetchy 1997/98 Budget (5%). (Klein)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR**

### **GENERAL MANAGER**

**Anson B. Moran, General Manager**

10. Adopting the "Proposed Housing Budget; 1997/98", establishing rental rates for various classifications of housing, and directing the Public Utilities Commission General Manager to solicit the services of a property manager or managers to manage the PUC's residential properties. (Moran)
11. Authorizing the General Manager to execute an amendment to The Planning Collaborative (TPC) contract in the amount of \$380,000 to provide planning, engineering, environmental, economic, and communication consulting services in connection with the Bernal Property Development Project in Alameda County; authorizing release of retainages withheld on prior contract amendments; and modifying the proposed contract eliminating the payment retainage to allow full reimbursement to subconsultants. (Nelson)

### **HETCH HETCHY WATER AND POWER**

**Lawrence T. Klein, General Manager**

12. Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$350,000 to fund staff and other resources to service new electric customers obtained under the Master Settlement Agreement entered into between PG&E and the City. (Klein)
13. Setting August 26, 1997 as the date for a public hearing relating to the transfer of \$45,703,273 to the General Fund from Hetch Hetchy Water and Power's FY 1997-98 Budget. (Klein)

## **WATER SUPPLY & TREATMENT DIVISION**

**Cheryl Davis, Manager**

14. Amending the Preferred Alternative for the Alameda Creek Watershed Management Plan based on a management plan that considers and incorporates information received by the Public Utilities Commission from a wide diversity of stakeholders about the risks, benefits, costs and options related to livestock grazing. (Stewart)

## **UTILITIES ENGINEERING BUREAU**

**Robert T. Cockburn, Manager**

15. Approving Contract Modification No. 1 to Hetch Hetchy Water and Power Contract No. HH-853, Tuolumne Meadows Sewer Rehab-Phase II, in the amount of \$283,000. (Cockburn)
16. Approving Contract Modification No. 1 to the contract with Geomatrix Consultants, Inc., for additional engineering analysis and geotechnical support for the Seismic Upgrade of Bay Division Pipeline Nos. 1 and 2 at the Hayward Fault Crossing, increasing the contract amount by \$120,000 and extending the contract completion date from July 1, 1997 to August 1, 1998. (Cockburn)
17. Authorizing the Manager of Utilities Engineering Bureau to execute Amendment No. 5 to the agreement with Westin Engineering, Inc. to provide engineering services for the San Francisco Water Department Supervisory Control and Data Acquisition (SCADA) Project, extending the term of the agreement by 168 days to January 15, 1998 with no increase in cost. (Cockburn)
18. Accepting the work performed under Contract No. 1023N as satisfactorily complete; approving Final Contract Modification in the credit amount of \$73,588.80; approving an extension of 74 days for completion; and approving final payment of 5% Retention for \$16,976.93 for a total contract payment of \$339,538.55 to the contractor, Ramirez Corporation. (Cockburn)

19. Accepting the work performed under Contract No. 1203N as satisfactorily complete; approving Final Contract Modification in the credit amount of \$30,420.42; approving an extension of 15 days for completion; and authorizing final payment of 5% contract Retention in the amount of \$12,806.28 to the contractor, Harty Pipelines, Inc. (Cockburn)

## **BUREAU OF SYSTEM PLANNING AND REGULATORY COMPLIANCE**

**Steve Ritchie, Manager**

20. Authorizing the Manager of System Planning and Regulatory Compliance (SPARC) to negotiate and execute a Professional Services Agreement to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project with the Montgomery Watson/AGS, Inc./Structus Joint Venture for a contract amount not to exceed \$5,640,000. (Ritchie)

## **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

21. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the vacation and sale of a portion of a sewer and public utility easement, comprising approximately 3,826 sq. ft. of Public Utilities Commission land located in the former Octavia Street between Post Street and Geary Boulevard and to quitclaim same to Northern California Presbyterian Homes and Services (NCPHS) for the sum of \$175,000.00. (Continued from the meeting of June 24, 1997) (Dowd)
22. Authorizing the General Manager of Public Utilities to execute an Agreement Respecting Construction Concession and Waiver and Release of Claims with Artichoke Joe's, a California corporation, the Bay Area Rapid Transit District and the Public Utilities Commission concerning certain lands located in the City of San Bruno under the jurisdiction of the Public Utilities Commission. (Continued from the meeting of July 8, 1997) (Dowd)



23. Authorizing the General Manager of Public Utilities to execute a permit with the State of California, Department of Transportation, Design West - Peninsula (Caltrans) to conduct geotechnical investigations on a portion of the San Francisco Peninsula Watershed, along Highway 92, in San Mateo County. (Dowd)
24. Authorizing the General Manager of Public Utilities to execute a lease with Sukhraj, Inc., dba Suraj Indian Cuisine, for approximately .22 acres of Public Utilities Commission land located on a portion of Parcel 2115 of Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City, California at a monthly rental rate of \$400.00. (Dowd)
25. Authorizing the General Manager of Public Utilities to execute a consent to the assignment, sublet, and leasehold deeds of trust, and an amendment to the lease with Mountain View Associates, Assignor, and Mid-Peninsula Housing Coalition (MPHC), Assignee, for approximately 1.9 acres of Public Utilities Commission land located on a portion of Parcel 201-A of Bay Division Pipeline Nos. 3 and 4 right of way in Mountain View, California, for parking and landscaping purposes in conjunction with the adjacent MountainView Apartments at a monthly rental rate of \$1,419.11. (Dowd)

### CLOSED SESSION

26. Public Comments on matters to be discussed in Closed Session.
27. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:



28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 11 of San Mateo County lands, former Muni right of way in San Bruno, California  
Parties Negotiating: Lymburn/Dowd  
Lessee: Artichoke Joe's  
Under Negotiation: Price and Terms

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Milstein)

Anticipated Litigation: As Defendant  
Regarding Crystal Springs Golf Partners, L.P.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Norman)

Anticipated Litigation: As Defendant  
Regarding Claim of Kajima Engineering and Construction Inc. - Islais Creek Contract D Project.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

32. Announcement following Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

**MINUTES**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

**Willie L. Brown, Jr.**  
**MAYOR**

**REGULAR MEETING**

**July 22, 1997**  
**1:00 P.M.**  
**Room 402**  
**1155 Market Street, Fourth Floor**

**DOCUMENTS DEPT.**

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**COMMISSIONERS**

**E. Dennis Normandy, President**  
**Victor G. Makras, Vice President**  
**Robert K. Werbe**  
**Frank L. Cook**  
**Ann Moller Caen**

**DEPARTMENTS**

**Water Department**  
**Hetch Hetchy**  
**Clean Water Program**

**BUREAUS**

**Commercial Land Management**  
**Customer Service**  
**Engineering and Construction Management**  
**Environmental Regulation and Management**  
**Finance**  
**Information Systems**  
**Personnel and Training**  
**System Planning and Regulatory Compliance**  
**Water Pollution Control**

**Anson B. Moran**  
**GENERAL MANAGER**

**Romaine A. Boldridge**  
**SECRETARY**



1. Call to Order: 1:05 p.m.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

Excused - Commissioner Robert K. Werbe

3. Election of Officers - Pursuant to Rule 6 of the Rules of Order of the Public Utilities Commission.

President Normandy nominated Commissioner Victor Makras for President and Commissioner Ann Moller Caen for Vice President. Commissioner Cook seconded. There were no further nominations. The election carried (4-0) by unanimous vote.

- a) President - Commissioner Makras was elected President.
- b) Vice President - Commissioner Ann Moller Caen was elected Vice President.

President Normandy announced that the newly elected officers would assume their duties effective at the close of today's meeting and ending at the close of the last regular meeting in July 1998.

President Normandy expressed his gratitude to the staff and members of the Commission for making his tenure as president a productive year. President Normandy recounted the many accomplishments of the Commission during the past year. Commissioner Makras commended President Normandy for his able leadership as President. He mentioned President Normandy's accomplishments particularly in spearheading the development of a communications plan and in his efforts not to increase next year's water and sewer rates.

4. Approval of Minutes

On motion by Commissioner Cook, seconded by Commissioner Caen, the Minutes of the Regular Meeting of July 8, 1997 were approved (4-0) by unanimous vote.

5. Communications

No action was taken.

6. Introduction of Old/Ongoing Business by Commissioners

President Normandy requested staff to calendar when possible the policy for access to tape recordings of the closed sessions, the City College Bookstore lease and the purchase of 525 Golden Gate Avenue to report about the steps being followed and the time line for each project.

Commissioner Makras requested a list of personnel promoted to management positions for the past four years.

7. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

8. Report of the General Manager

a. Water Bonds

Anson B. Moran, General Manager of Public Utilities, reported that the Board of Supervisors voted unanimously to put two water bond measures on the November ballot. He reported that last week staff made a presentation before the Board of Supervisor's Finance Committee regarding Public Utilities Commission's capital improvement program. The Committee also gave their unanimous support of the bond measures.

Mr. Moran reported that the City Attorney advised that because of changes in the Charter the City cannot legally accept state revolving fund loans offered by the State Water Resources Control Board. Mr. Moran stated that staff is concerned with not being able to accept the loan as it is a viable low interest loan. He said staff was currently working on a measure for the June, 1998 ballot to change the Charter to allow the Public Utilities Commission to accept these types of loans. Mr. Moran noted that if the measure is successful on the June ballot, we could recover the funds previously offered.

Mr. Moran invited comments from the Commission regarding ballot arguments for the November water bond measures as the deadline for submission of arguments to the Board of Supervisors is August 4, 1997.

b. Electric Restructuring Strategic Options.

Item 8.b. was postponed to the next scheduled meeting of the Commission.

c. Hetch Hetchy 1997/98 Budget (5%).

Lawrence T. Klein, General Manager of Hetch Hetchy Water and Power, reported that as requested by the Commission the department identified areas where they could achieve a 5% reduction in Hetch Hetchy's operating budget for FY 1997-98. Staff proposed to cut two vacant positions (\$113,840), hold 29 positions vacant for four months (salary savings of \$552,162), terminate two professional services contracts (\$147,000) and reduce payments for the Don Pedro Project (\$200,000). The proposed reduction totaled \$1,013,002 million.

Commissioner Makras expressed dissatisfaction with the proposed 5% budget reduction. He commented that the staff's proposal to cut the budget by holding vacant positions was not viable. He stated that he did not accept the \$550,000 salary savings as a true cut in the budget as it just defers hiring of people for several months and there was no reduction from then on. He stated that this proposal just delays the expenditure and does not serve the intent to bring the overall cost of government down. He added that accepting Hetchy's proposed budget reduction would be unfair for every other department who found viable ways to reduce their operating budgets.

Commissioner Makras requested the Chair to leave the options open on Hetchy's budget as he was not satisfied with the proposed 5% budget reduction.

Commissioner Caen commented that she was comfortable with the proposed budget reduction.

President Normandy stated that approval was not required today but the 5% budget reduction would be factored as an ongoing process. He noted that the Commission would allow staff to consider the proposed 5% budget reduction as impound funds but staff needs to look at other areas where they could achieve concrete savings.

9. Public Comments

There were none.

## REGULAR

### 10. Adopting the PUC Housing Policy.

Mr. Moran stated that the policy being proposed constituted a process for budgeting, charging rents and administering leases for all PUC owned housing. Staff was proposing to categorize the housing units based on the need and purpose to PUC operations and develop management policies appropriate to each classification. He stated that the resolution would direct staff to conduct a study of housing units in Moccasin, start discussions to implement a policy to charge tenants for utilities and possibly hire property managers to help in managing the housing stock.

Mike Siegenthaler, representative of the Yosemite Gateway Hostel Society, suggested that the Commission designate the Hostel Society to manage "Excess" housing.

Jim Barkenhus, a watershed keeper, commented that some housing units classified as "Excess" should have been categorized "Operational".

Leon Elam, a watershed keeper, urged the Commission to consider the extra time and effort of the watershed keepers in continuously preserving the security of the watershed.

James Bryant, representative of SEIU Local 790, urged the Commission to engage the union and the watershed keepers in any discussion involving housing. He suggested starting the negotiation process regarding utilities in the year 2000 when the settlement agreement with watershed keepers expires.

President Normandy invited comments from PUC employees in Moccasin who were participating in the consideration of this agenda item via a video conference call. There were no comments.

Commissioner Makras stated that the Commission recognized that watershed keepers were valuable assets to the department. However, the Commission also recognized the fact that the department was losing money on housing as the rent received now barely covers the costs of utilities or maintenance. He suggested starting the discussion now regarding charging for utilities and establish a time frame on how long the negotiation with the union and employees should take.

Mr. Moran noted that since housing is not a condition of employment, discussions will not be like typical labor negotiations. He said staff would try to engage all interested parties in the discussions.



Commissioner Cook moved to adopt the resolution. Commissioner Makras stated that he would second the motion if the resolution were amended to incorporate a time frame of one year to enter into negotiation and direct staff to report to the Commission periodically regarding results of discussions.

Commissioners Cook withdrew his motion.

Commissioner Makras moved, seconded by Commissioner Cook to amend the resolution to incorporate a time frame to work on the negotiation and to direct staff to return to the Commission on the results of the negotiation.

Mr. Bryant commented about possible non compliance with the Sunshine Ordinance if the Commission amended the resolution. Mr. Thomas Berliner, Utilities General Counsel, replied that the proposed amendment was within the scope of the item. The Commission was not taking a specific action but merely giving a direction to staff. He explained that the amendment would be to initiate discussion with employees and the union regarding the PUC housing policy within the next year and report periodically during that year on the progress of the discussion.

In response to Commissioner Makras' question, Mr. Bryant stated that he had no problem with the direction of the Commission.

On the question, the Commission voted unanimously to adopt Item 10 as amended.

Resolution No. 97-0208: Adopting the "Proposed Housing Budget; 1997/98", establishing rental rates for various classifications of housing, and directing the Public Utilities Commission General Manager to solicit the services of a property manager or managers to manage the PUC's residential properties.

11. Authorizing an amendment to The Planning Collaborative (TPC) contract in the amount of \$380,000.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 11, passed (4-0) unanimously.

Resolution No. 97-0209: Authorizing the General Manager to execute an amendment to The Planning Collaborative (TPC) contract in the amount of \$380,000 to provide planning, engineering, environmental, economic, and communication consulting services in connection with the Bernal Property Development Project in Alameda County; authorizing release of retainages withheld on prior contract amendments; and modifying the proposed

contract eliminating the payment retainage to allow full reimbursement to subconsultants.

12. Requesting a supplemental appropriation in the amount of \$350,000 to fund staff and other resources to service new electric customers.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 12, passed (4-0) unanimously.

Resolution No. 97-0210: Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$350,000 to fund staff and other resources to service new electric customers obtained under the Master Settlement Agreement entered into between PG&E and the City.

13. Setting a date for a public hearing relating to the transfer of \$45,703,273 to the General Fund from Hetch Hetchy Water and Power's FY 1997-98 Budget.

Mr. Moran noted that the \$45 million being transferred to the general fund was the total of the amount originally approved by Public Utilities Commission in the budget (\$35 million) plus the \$2.7 million increase made by the Mayor in the budget process and the \$8 million net proceeds of the PG&E settlement that the Board of Supervisors approved.

Mr. Holger Gantz of the San Francisco Hilton commented that he was not opposed to the Hetch Hetchy surplus going to the general fund or the amount being proposed for transfer. However, he suggested that before the scheduled hearing date, the Commission should consider the fact that Hetch Hetchy has a windfall and yet staff is taking \$6 million from the sewer stabilization fund. He stated that this practice penalizes the ratepayers by way of increases in water or sewer rates to make up for the budget shortfall. President Normandy commented that the Commission had been doing its best to keep the rates down.

Mr. Moran explained that the policy decision to date has been that each enterprise under the Commission's jurisdiction will stand on its own and any surplus earnings would be transferred to the general fund. He noted that the Commission, the Mayor or the Board of Supervisors could revisit this policy if they wish. However, changing the direction before August 26 will affect the City's budget for FY 97-98 as the transfer of funds balanced that budget.

Regarding the rate stabilization fund, Mr. Moran stated that a decision was made not to transfer surplus funds to the general fund, but to hold them in the enterprise so that sewer rates could be moderated in the future.

Commissioner Caen commented that this was a policy issue for the Commission and she would like to start a process of changing the policy so that they can put together all funds of the enterprises under PUC as opposed to the present stand alone setups.

Mr. Moran stated that staff would prepare a financial and policy analysis on the flow of funds between the enterprises. Commissioner Makras directed staff to set a date within 90 days to calendar this matter.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 13, passed (4-0) unanimously.

Resolution No. 97-0211: Setting August 26, 1997 as the date for a public hearing relating to the transfer of \$45,703,273 to the General Fund from Hetch Hetchy Water and Power's FY 1997-98 Budget.

14. Amending the Preferred Alternative for the Alameda Creek Watershed Management Plan.

Commissioner Makras commented that the Grazing Resources Management Plan was a great plan and on the right track. He expressed concerns that the calendar item shows that the calving period would be limited through September while the management plan gives a 30-day extension of the calving period for 20% of the cows. He said he would like a specific date for terminating the calving period so we could keep calving out of the rainy season and not have a wide 20% differential.

Edward Stewart, Watershed Resources Manager, responded that the management plan indicated that 80% of calving would be accomplished before the end of September and the remaining 20% by the end of October. He said that most calves would be beyond the four-month age period by the time we get into the wet season.

Commissioner Makras asked about the effects of an August 30 cutoff. Mr. Stewart stated that staff also discussed this issue with the livestock industry and they believe that early cutoff would present problems in the herd's health and biology.

Timothy Koopmann, PUC's Urban Forester, commented that to begin the calving season earlier would put an undue biological burden on mother cows, cause health problems for calves and economic problems for prospective lessees. He stated that livestock experts indicated that early calving was not practical. He said with the October cutoff there would be a relatively safe zone before the runoff begins.

Commissioner Makras indicated that he was uncomfortable with the October 31 date and the 60-day period and he would like the cut off to be September so that there will no longer have calves born after October 1. Mr. Koopmann responded

that only a small number of calves might be born in the month of October; and the scientific community had considered that there would still be a safe window from October before the runoff period.

Commissioner Makras commented that under lease terms, the plan suggested five years and up to 10 years lease. He suggested authorizing only annual leases for the first three years until they fully implement the program. He said that the intent of the Commission is to embark into this program if it works. He stated that he will only sign for a 10-year lease if the program is successful. Mr. Stewart responded that a range lease usually would be 10 years. President Normandy stated that the management plan states that the initial leases should be for a 5-year period. Mr. Koopmann explained that the lessees need the security of a longer term to secure financing for long term investments such as capital improvements for the watershed and purchase of livestock. He pointed out that the lease, as written, provides termination of leases if the program is not workable. Commissioner Cook suggested an annual review and evaluation of the program.

Commissioner Makras stated that the plan indicated that PUC would fund the program through the Alameda County Resources Conservation District who will manage the program. He suggested that the District put all work for bid and inform the Commission of all contracts let.

Mr. Stewart stated that if funds are available next year, staff could implement the plan within two years. A total of \$1.5 million is required to implement the program in three years.

Sheila Barry from the Alameda County Resources Conservation District stated that the plan can be practically applied to PUC lands. She commented that pushing the calving period a month ahead would cause biological problems. She acknowledged the individuals who provided assistance in the preparation of the Grazing Management Plan.

Commissioner Makras suggested changing the last phrase in the sixth whereas clause adding the word "more" to read: "reduced to a more acceptable level of risk." He also suggested changing the fourth sentence of the seventh whereas clause to delete the phrase "economic and financial stability for both SFPUC and its grazing tenants."

Commissioner Normandy directed staff to inform the public and other interested parties regarding the Commission's action to adopt a Grazing Resources Management Plan and possible ramifications of such plans.



Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 14 as amended, passed (4-0) unanimously.

Resolution No. 97-0212: Amending the Preferred Alternative for the Alameda Creek Watershed Management Plan based on a management plan that considers and incorporates information received by the Public Utilities Commission from a wide diversity of stakeholders about the risks, benefits, costs and options related to livestock grazing.

15. Approving Contract Modification to Hetch Hetchy Water and Power Contract No. HH-853.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 15, passed (4-0) unanimously.

Resolution No. 97-0213: Approving Contract Modification No. 1 to Hetch Hetchy Water and Power Contract No. HH-853, Tuolumne Meadows Sewer Rehab-Phase II, in the amount of \$283,000.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Items 16 and 17 together, passed (4-0) unanimously.

16. Resolution No. 96-0214: Approving Contract Modification No. 1 to the contract with Geomatrix Consultants, Inc., for additional engineering analysis and geotechnical support for the Seismic Upgrade of Bay Division Pipeline Nos. 1 and 2 at the Hayward Fault Crossing, increasing the contract amount by \$120,000 and extending the contract completion date from July 1, 1997 to August 1, 1998.
17. Resolution No. 96-0215: Authorizing the Manager of Utilities Engineering Bureau to execute Amendment No. 5 to the agreement with Westin Engineering, Inc. to provide engineering services for the San Francisco Water Department Supervisory Control and Data Acquisition (SCADA) Project, extending the term of the agreement by 168 days to January 15, 1998 with no increase in cost.

18. Accepting the work performed under Contract No. 1023N as satisfactorily complete; approving Final Contract Modification in the credit amount of \$73,588.80; approving an extension of 74 days for completion; and approving final payment of 5% Retention for \$16,976.93 for a total contract payment of \$339,538.55 to the contractor, Ramirez Corporation.

Commissioner Makras stated that he was voting against the item as it took the contractor double the time to perform 50% less work. He said that this kind of delay had impacted the neighborhood. He also mentioned that the contractor did not achieve the MBE/WBE goals established in the contract. The MBE goal was 12.5% for MBE and 1% for WBE. The actual participation was 3.15% for MBE and 0% for WBE. Commissioner Makras stated that contractors should be aware that if they do not perform on time, they will be required to pay for the cost of delays.

Mr. Cockburn requested approval of the item as the work had been completed and we have to pay the contractor for his services. Commissioner Makras suggested paying the contractor and establishing a penalty fee for delay later.

President Normandy asked if staff could file post-facto litigation. Mr. Thomas Berliner, Utilities General Counsel, responded that the contract is still open and if there was a liquidated damage clause in the contract and there was a delay by the contractor at no fault of the City or acts of nature covered by the contract the City would be entitled to liquidated damages. Mr. Cockburn stated that parts of the extension were due to weather and traffic conditions. He said given the contract has not been closed although work was completed in December, staff could reopen negotiations with the contractor.

President Normandy commented that since the Commission does not find the resolution acceptable, he directed staff to renegotiate with the contractor for a more favorable deal for the City.

Moved by Commissioner Cook, seconded by Commissioner Makras, to reject Item 18, passed (4-0) unanimously.

19. Accepting the work performed under Contract No. 1203N as complete.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 19, passed (4-0) unanimously.

Resolution No. 97-0216: Accepting the work performed under Contract No. 1203N as satisfactorily complete; approving Final Contract Modification in the credit amount of \$30,420.42; approving an extension of 15 days for completion; and authorizing final payment of 5% contract Retention in the amount of \$12,806.28 to the contractor, Harty Pipelines, Inc.

20. Authorizing the Manager of System Planning and Regulatory Compliance (SPARC) to negotiate and execute a Professional Services Agreement to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project with the Montgomery Watson/AGS, Inc./Structus Joint Venture for a contract amount not to exceed \$5,640,000.

Mr. Steve Ritchie, Manager, Bureau of System Planning & Regulatory Compliance, noted that the contract involves work on implementation of short term improvements to the plant and initial work for long term improvements beyond existing plan footprints including the preparation of an Environmental Impact Report (EIR). A new contract will be requested for the detailed design of the project.

President Normandy expressed concern that one consultant noted that the landslide and fault line at the proposed reservoir site could be potential fatal flaws. He stated that if the City is spending \$5 million for this project, he would like to be assured that we would not be putting a facility on a fault line. Commissioner Caen noted that three out of the four firms cited the fault flaws, except Montgomery Watson. Commissioner Makras stated that he was concerned that if three of four candidates mentioned the flaw why was staff recommending to do business with a candidate who missed it. Mr. Ritchie stated that the reservoir was a small portion of the contract for the Sunol Valley Water Treatment Plant Improvement Project.

President Normandy stated that the Commission would not approve the item due to concerns mentioned about the reservoir site. He stated that he would like to see additional information relative to the fault line. He noted that for projects of this size, he would like the Commission to get involved in the interview of the proposers.

Commissioner Makras commented that the Request for Proposal required a billable hourly rate; however, two out of the four contractors did not put it on their proposals. He asked why staff did not eliminate these companies from the bidding process for being unresponsive to the requirements of the RFP.

Staff will return to the Commission to respond to the concerns raised by the Commission.

Moved by Commissioner Caen, seconded by Commissioner Cook, to continue Item 20 to a date not specified, passed (4-0) unanimously.



21. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the vacation and sale of a portion of a sewer and public utility easement, comprising approximately 3,826 sq. ft. of Public Utilities Commission land located in the former Octavia Street between Post Street and Geary Boulevard and to quitclaim same to Northern California Presbyterian Homes and Services (NCPHS) for the sum of \$175,000.00. (Continued from the meeting of June 24, 1997)

Commissioner Makras suggested continuing the item to the call of the Chair as he had questions regarding the value and the type of uses for the site. He said he would like to see the appraisal made by the Real Estate Department and see if he concurs with the value.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 21 to the call of the Chair; passed (4-0) unanimously.

22. Authorizing the General Manager of Public Utilities to execute an Agreement Respecting Construction Concession and Waiver and Release of Claims with Artichoke Joe's, a California corporation, the Bay Area Rapid Transit District and the Public Utilities Commission concerning certain lands located in the City of San Bruno under the jurisdiction of the Public Utilities Commission. (Continued from the meeting of July 8, 1997)

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 22 to the call of the Chair, passed (4-0) unanimously.

23. Authorizing the General Manager of Public Utilities to execute a permit with the State of California, Department of Transportation, Design West - Peninsula (Caltrans) to conduct geotechnical investigations on a portion of the San Francisco Peninsula Watershed, along Highway 92, in San Mateo County.

Edward Stewart, Watershed Resources Manager, stated that staff discussed the following issues with Caltrans and they have agreed to comply with them: 1) phasing of the project so that Caltrans should get in and out of the watershed before the rainy season; 2) vegetation disposal that will facilitate erosion control on the site; 3) road width should be 12 feet except as needed on a case by case basis; and 4) Caltrans will take restoration measures for erosion control as they complete work on a site. Bijan Sartipi, Caltrans Project Manager, indicated that they would fulfill these conditions.

Commissioner Makras suggested requiring Caltrans to provide the Commission with a copy of the results of their investigation. Mr. Sartipi stated that it was a requirement of the permit. Commissioner Makras suggested making it a policy to require permittees to provide the Commission with a completed report of their investigations.

Commissioner Makras suggested charging Caltrans \$100 an hour for staff time spent on this project. He indicated that it is possible that as the project moves along, it would still require PUC staff time. He noted that the \$100 an hour fee would help PUC recover the costs incurred relative to the permit.

Commissioner Makras suggested continuance of the item for staff to address the benefit of the investigation, the hourly rate, a summary of the scope of work, and Caltrans' plans regarding the road when the project is completed. He said he wanted to know what its impact on the watershed would be.

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 23 to the call of the Chair, passed (4-0) unanimously.

24. Authorizing a lease with Sukhraj, Inc., dba Suraj Indian Cuisine.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 24; passed (4-0) unanimously.

Resolution No. 97-0217: Authorizing the General Manager of Public Utilities to execute a lease with Sukhraj, Inc., dba Suraj Indian Cuisine, for approximately .22 acres of Public Utilities Commission land located on a portion of Parcel 2115 of Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City, California at a monthly rental rate of \$400.00.

25. Authorizing the General Manager of Public Utilities to execute a consent to the assignment, sublet, and leasehold deeds of trust, and an amendment to the lease with Mountain View Associates, Assignor, and Mid-Peninsula Housing Coalition (MPHC), Assignee, for approximately 1.9 acres of Public Utilities Commission land located on a portion of Parcel 201-A of Bay Division Pipeline Nos. 3 and 4 right of way in Mountain View, California, for parking and landscaping purposes in conjunction with the adjacent Mountain View Apartments at a monthly rental rate of \$1,419.11.

Tom Smolich, Project Manager with Mid-Peninsula Housing Coalition (MPHC), commented that their firm was in the process of purchasing the subject low income housing development. He mentioned that their firm was under a tight time frame

as the tax-exempt bond financing to purchase the building was conditioned upon approval of the lease. He said the tax bond financing would expire on Monday. He noted that one deed restriction on the property was that it be an affordable housing for Section 8 . This restriction would constrain them on how much income they would get on it.

Commissioner Makras stated that he would like to look at the current value of the property and the importance of the overall project before he could approve the consent assignment. He suggested rejecting staff's proposal and directing staff to renegotiate the rent.

Commissioner Makras moved, seconded by Commissioner Caen to reject the resolution.

Charles Sullivan, Deputy City Attorney, stated that he concurred that the rent was below market. However, this was low income housing and the rent is tied to the income of the neighboring property that has restrictions on what they could charge for rent because it is a HUD property. He stated that if the Commission would not consent to the lease assignment, sublet and leasehold deed of trust, he would negotiate a new rental rate with MPHC. Mr. Smolich asked if the Commission could approve the assignment on a condition that they would renegotiate the rent as soon as the sale of the property closes. Commissioner Makras indicated that the Commission could do that but needed the seller to sign. Mr. Sullivan noted that if the Commission consents to the assignment, MPHC becomes the tenant when the deal closes.

Mr. Sullivan stated that based on a quick evaluation, the fair market rental of the property was between \$3,500 and \$5,900 a month. He asked Mr. Smolich if they would be willing to pay \$3400 a month lease. Mr. Smolich responded that he did not have the authority to decide that. He suggested that the Commission approve the assignment on a condition that the lease would be renegotiated within a time period and if the negotiation was unsuccessful, the City could terminate their lease.

Commissioner Normandy commented that the Commission is philosophically committed to low income housing but it also has a fiduciary duty to manage PUC-owned properties.

Moved by Commissioner Cook, seconded by Commissioner Makras, to reject Item 25, passed (4-0) unanimously.

## CLOSED SESSION

26. Public Comments on matters to be discussed in Closed Session.

There were none.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 4:25 p.m. to 4:50 p.m. to discuss the following matters:

Commissioner Makras was excused at 4:25 p.m.

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portion of Parcel 11 of San Mateo County lands, former Muni right of way in San Bruno, California
Parties Negotiating:	Lymburn/Dowd
Lessee:	Artichoke Joe's
Under Negotiation:	Price and Terms

No action was taken on Item 28.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Milstein)

Anticipated Litigation:	As Defendant
	Regarding Crystal Springs Golf Partners, L.P.

No action was taken on Item 29.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water  
Department property on Bernal Avenue in Alameda  
County.

No action was taken on Item 30.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Norman)

Anticipated Litigation: As Defendant  
Regarding Claim of Kajima Engineering and Construction  
Inc. - Islais Creek Contract D Project.

No action was taken on Item 31.

The Public Utilities Commission reconvened in public session.

32. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 4:51 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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### ***SPECIAL MEETING***

***July 25, 1997***

***4:00 P.M.***

Room 402  
1155 Market Street, Fourth Floor

#### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



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If you require assistance in evacuating, please request the aid of PUC staff.



## **ORDER OF BUSINESS**

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

### **BUREAU OF COMMERCIAL LAND MANAGEMENT**

**Garrett M. Dowd, Manager**

3. Authorizing the General Manager of Public Utilities to execute a consent to the assignment, sublet, and leasehold deeds of trust, and an amendment to the lease with Mountain View Associates, Assignor, and Mid-Peninsula Housing Coalition (MPHC), Assignee, for approximately 1.9 acres of Public Utilities Commission land located on a portion of Parcel 201-A of Bay Division Pipeline Nos. 3 and 4 right of way in Mountain View, California, for parking and landscaping purposes in conjunction with the adjacent MountainView Apartments. (Dowd)

## **ADJOURNMENT**



# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

#### ***SPECIAL MEETING***

***July 25, 1997***

***4:00 P.M.***

Room 402  
1155 Market Street, Fourth Floor

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#### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 4:08 p.m.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy  
  
Excused - Commissioner Robert K. Werbe, Commissioner Frank L. Cook
3. Consenting to the assignment, sublet, and leasehold deeds of trust, and an amendment to the lease with Mountain View Associates, Assignor, and Mid-Peninsula Housing Coalition (MPHC), Assignee.

Charles Sullivan, Deputy City Attorney, commented that the Commission continued this matter from the Public Utilities Commission meeting of July 22, 1997 to ensure a fair market rental for the property and renegotiate rental terms with Mid Peninsula Housing Coalition (MPHC). Mr. Sullivan noted that based on fair market valuation of \$14 per square foot, staff reached a rental rate of \$3,500 per month. The rent is currently between \$1700 and \$1800. He stated that MPHC's appraisal of the property was \$12.74 per square foot.

President Makras noted that staff's recommendation was the same as it was at the last meeting with the addition of a letter from MPHC outlining their agreement to negotiate a fair market rental rate one year from the assignment of the lease. Mr. Sullivan advised that MPHC's letter was an agreement to negotiate a rental term but did not guarantee an increase in rent a year from now.

Fran Wagstaff, Executive Director for MPHC, requested that the Commission retain the existing fixed rate until their Section 8 contract with HUD expires in year 2001.

President Makras asked whether MPHC's Section 8 contract would allow them to negotiate rental terms. Ms. Wagstaff stated that it did not preclude them from paying a higher rent. However, she noted that if their rent were raised they would have to pay the increase from their own funds as they would not be able to subsequently raise their tenants' rent. Mr. Tom Smolich, MPHC's Project Manager, commented that MPHC would be willing to negotiate a fair market rate but they would like to maintain the existing rental rate for one year.

Commissioner Normandy asked MPHC to comment regarding a report he had received that the Commission responded negatively to the assignment of the lease and that they did not attempt to work with MPHC. Mr. Smolich read a statement they sent to various individuals summarizing what transpired at the meeting. He stated that they also requested certain individuals to intervene on their behalf in trying to schedule a special meeting of the Commission. President Makras stated that MPHC should have approached him or Commissioner Normandy directly to

request a special meeting. Mr. Smolich apologized for not following the proper channels of communication.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to approve staff's recommendation agreeing to negotiate in good faith one year from today to increase the rent payments due under the Lease; passed (3-0) unanimously.

Resolution No. 97-0218: Authorizing the General Manager of Public Utilities to execute a consent to the assignment, sublet, and leasehold deeds of trust, and an amendment to the lease with Mountain View Associates, Assignor, and Mid-Peninsula Housing Coalition (MPHC), Assignee, for approximately 1.9 acres of Public Utilities Commission land located on a portion of Parcel 201-A of Bay Division Pipeline Nos. 3 and 4 right of way in Mountain View, California, for parking and landscaping purposes in conjunction with the adjacent Mountain View Apartments.

Thereupon, the meeting was adjourned: 4:32 P.M.

Romaine A. Boldridge  
Secretary

# **AGENDA**

## **PUBLIC UTILITIES COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**Willie L. Brown, Jr.  
MAYOR**

### ***SPECIAL MEETING***

***August 5, 1997***

***9:00 A.M.***

**Room 402  
1155 Market Street, Fourth Floor**

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### **COMMISSIONERS**

**Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook**

### **DEPARTMENTS**

**Water Department  
Hetch Hetchy  
Clean Water Program**

### **BUREAUS**

**Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control**

**Anson B. Moran  
GENERAL MANAGER**

**Romaine A. Boldridge  
SECRETARY**



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## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Electric Restructuring Strategic Options - 20 mins. (Klein)
  - b. Contracting - Types of Contracts and Decisions - 10 mins. (Cockburn)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR BUSINESS**

9. Authorizing the General Manager of Public Utilities to apply for, accept and expend funds not to exceed \$500,000 in grant funding from the U.S. Department of Energy Petroleum Violation Escrow Account (PVEA) on behalf of the Center for Resource Solutions for the development of a Sustainable Technology Demonstration Center at the Presidio. (Klein/Deakin)

## **LEASES AND PERMITS**

10. Authorizing the General Manager of Public Utilities to execute a permit with the State of California, Department of Transportation, Design West - Peninsula (Caltrans) to conduct geotechnical investigations on a portion of the San Francisco Peninsula Watershed, along Highway 92, in San Mateo County. (Continued from the meeting of July 22, 1997.) (Dowd)
11. Authorizing the General Manager of Public Utilities to execute a permit with the City of Sunnyvale for landscaping and/or community garden purposes on a portion of Parcels 148 and 149 of Bay Division Pipeline Nos. 3 and 4 right of way in Sunnyvale, California. (Dowd)
12. Authorizing the General Manager of Public Utilities to execute a lease with Atlas Plumbing and Sewer Service, for approximately .242 acres of Public Utilities Commission land located on a portion of Parcels 118B and 118C of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California for parking purposes at a monthly rental rate of \$1,236.00. (Dowd)

## **CONSTRUCTION CONTRACTS**

### **Advertising**

13. Authorizing advertisement for bids for Hetch Hetchy Water & Power Contract WP-13. Re-roof Moccasin Cottages. (Klein)

## CLOSED SESSION

14. Public Comments on matters to be discussed in Closed Session.
15. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

### THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

16. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Norman/Cockburn)

Anticipated Litigation: As Defendant  
Regarding Claim of Kajima Engineering and Construction  
Inc. - Islais Creek Contract D Project.

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Mahoney/Armistead)

Existing Litigation: Regarding Claim of Howard Johnson, Claim No. 96-W-0047-1.

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Mahoney/Armistead)

Existing Litigation: Regarding Claim of Chang Zeng dba Tung Fong Trading Co. v.  
CCSF, Claim No. 97-01671.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

20. Announcement following Closed Session.

21. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

# ADDENDUM TO AGENDA

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC UTILITIES COMMISSION

DOCUMENTS DEPT.

9:00 A.M.

August 5, 1997

1155 Market Street, 4th Floor

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## CLOSED SESSION

19. a. Conference with Legal Counsel - Pursuant to Government Code Section  
54956.9(a): (Milstein)

Existing Litigation: Hefter v. County of San Mateo, et.al., San Mateo Superior  
Court No. 400115.





**MINUTES**  
**PUBLIC UTILITIES COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**

Willie L. Brown, Jr.  
MAYOR

**SPECIAL MEETING**

August 5, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

AUG 20 1997

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PUBLIC LIBRARY

**COMMISSIONERS**

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

**DEPARTMENTS**

Water Department  
Hetch Hetchy  
Clean Water Program

**BUREAUS**

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 9:10 A.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner Frank L. Cook  
  
Commissioner E. Dennis Normandy arrived at 9:14 a.m.  
  
Commissioner Robert K. Werbe was excused.
3. Approval of Minutes  
  
There were none submitted.
4. Communications  
  
No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners  
  
No action was taken.
6. Introduction of New Business by Commissioners  
  
There was no new business introduced by Commissioners.
7. Report of the General Manager
  - a. Electric Industry Restructuring Strategic Options - Session 8  
  
Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, gave a presentation using electronic slides. Mr. Klein discussed possible business opportunities for the City from the electric industry restructuring. He discussed the projects in which the department is currently involved that could be considered options for further development such as managing the operations and maintenance for the utility systems at Treasure Island, finding a supplier of power for Hunters Point Shipyard, and the option of buying the Hunters Point PG&E Power Plant. Mr. Klein talked about the option to engage in a strategic partnership where the City manages the power supply, delivery or energy management services and retail wheeling "aggregation".

He said that staff would present strategic options at both meetings of the Commission in September 1997. Mr. Moran noted that each strategic choice would require additional staff resources.

b. Contracting - Types of Contracts and Decisions

Robert T. Cockburn, Manager, Utilities Engineering Bureau, gave a presentation using an overhead projector. Mr. Cockburn defined six types of professional services contracts: standard, as-needed, phased, continuing, informal and emergency contracts and discussed the characteristics of each contract type. Mr. Cockburn gave an overview of the current process involved in contracting for professional services contracts which starts with the annual budget review process followed by authorization to advertise, approval to award, approval of modifications if needed and acceptance of the project as completed.

Anson B. Moran, General Manager of Public Utilities, noted that the biggest step in the contracting process is the point where the Commission decides to advertise a contract. He noted that this is when the Commission should bring up all issues or concerns and establish a selection process.

Agenda Format

Mr. Moran, General Manager of Public Utilities, noted the changes made in the format of the agenda. The agenda items that were previously listed by department or bureau were now listed by nature of business: (1) Regular Business; (2) Leases and Permits; (3) Construction Contracts; and (4) Professional Services Contracts. Construction Contracts and Professional Services Contracts were further grouped by the type of decision required in contracting: (1) advertise for bids; (2) award; (3) amend; and (4) acceptance/close. He said the conduct of the meeting would also change. After the Commission Secretary reads a short description of the agenda item, the staff proponent would give a brief summary of the context of the item.

8. Public Comments

Phyllis Schrobsdorff requested the Commission for an additional reduction in sewer service charges for the water she uses for gardening. President Makras directed staff to send a customer service representative to inspect the property and report the findings. Mr. Moran advised that there was an existing appeal process through the Residential Users Appeals Board for customers who wish to request additional allocation.

\*\*\*\*\*

## Presentation

President Makras presented a plaque to Commissioner Normandy as a token of appreciation for his leadership as President of the Public Utilities Commission from July 1996 to July 1997.

\*\*\*\*\*

## **REGULAR BUSINESS**

9. Approval to apply for, accept and expend funds not to exceed \$500,000 from the U.S. Department of Energy Petroleum Violation Escrow Account (PVEA).

Bonnie Hayes, Special Projects Consultant for the Center for Resource Solutions, stated that they would not request the City to spend money on this project but they were requesting PUC staff involvement in the advisory and ad hoc committees.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 9, passed (4-0) unanimously.

Resolution No. 97-0219: Authorizing the General Manager of Public Utilities to apply for, accept and expend funds not to exceed \$500,000 in Grant funding from the U.S. Department of Energy Petroleum Violation Escrow Account (PVEA) on behalf of the Center for Resource Solutions for the development of a Sustainable Technology Demonstration Center at the Presidio.

## **LEASES AND PERMITS**

10. Authorizing a permit with the State of California, Department of Transportation, Design West - Peninsula (Caltrans).

This item was continued from the meeting of July 22, 1997.

Gary Dowd noted that in response to the Commission's concern at the last meeting, staff proposed to charge Caltrans a maximum of \$15,000 for staff time associated with the permit. This figure was suggested by Caltrans and staff believes it will adequately cover any expenses that the City would incur on this permit.

Addressing Commissioner Normandy's question, Gary Dowd stated that the permit provides reimbursement to the City for staff time in reviewing plans and specifications and inspecting work done in the permit area. President Makras acknowledged staff's efforts in responding to Commission's concerns regarding recovery of costs for staff time and obtaining the results of surveys and tests performed by Caltrans in the permit area.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 10, passed (4-0) unanimously.

Resolution No. 97-0220: Authorizing the General Manager of Public Utilities to execute a permit with the State of California, Department of Transportation, Design West - Peninsula (Caltrans) to conduct geotechnical investigations on a portion of the San Francisco Peninsula Watershed, along Highway 92, in San Mateo County.

11. Authorizing a permit with the City of Sunnyvale for landscaping and community garden purposes.

Mr. Dowd stated that staff normally issues permits to other municipalities for the use of the Water Department's right of way for community garden purposes. Mr. Dowd recommended approval of the permit as the subject piece of right of way does not have a potential for revenue generation. In addition, the City of Sunnyvale had agreed to pay all tax assessments on the parcel and maintenance of the area. Mr. Dowd stated that the City of Sunnyvale requested a waiver of the processing and permit fees.

Commissioner Cook stated that he was not in favor of waiving the fees. President Makras stated that he supported staff's proposal to waive the permit fee and processing fee as the City of Sunnyvale would save the City of San Francisco the significant cost of maintaining the particular area.

Moved by President Makras, seconded by Commissioner Normandy, to adopt Item 11 as amended; passed (3-1). Commissioner Cook voted no.

Resolution No. 97-0221: Authorizing the General Manager of Public Utilities to execute a permit with the City of Sunnyvale for landscaping and/or community garden purposes on a portion of Parcels 148 and 149 of Bay Division Pipeline Nos. 3 and 4 right of way in Sunnyvale, California.

12. Authorizing a lease with Atlas Plumbing and Sewer Service.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 12, passed (4-0) unanimously.

Resolution No. 97-0222: Authorizing the General Manager of Public Utilities to execute a lease with Atlas Plumbing and Sewer Service, for approximately .242 acres of Public Utilities Commission land located on a portion of Parcels 118B and 118C of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California for parking purposes at a monthly rental rate of \$1,236.00.

## **CONSTRUCTION CONTRACTS**

### **Advertising**

13. Authorizing advertisement for bids for Hetch Hetchy Water & Power Contract WP-13, Re-roof Moccasin Cottages.

Lawrence T. Klein, General Manager of Hetch Hetchy Water and Power, stated that the Human Rights Commission recommended subcontracting participation goals of 18% MBE and 0% WBE for this contract. The Commission asked about the reason for a 0% WBE participation goal. President Makras directed staff to prepare a letter to the Human Rights Commission requesting an explanation for recommending a 0% WBE participation goal for this contract.

President Makras requested staff to provide a breakdown of the costs estimated for roofs and gutters.

President Makras stated that he was confident that there is a pool of subcontractors available to perform the contract. He suggested raising the MBE participation goal to 40% to encourage more subcontractors to participate in the contract.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 13 as amended, passed (4-0) unanimously.

Resolution No. 97-0223: Setting subcontracting participation goals of 40% MBE and 0% WBE for Hetch Hetchy Water & Power Contract No. WP-13, Re-roof Moccasin Cottages; and authorizing advertisement for bids.



## CLOSED SESSION

14. Public Comments on matters to be discussed in Closed Session.

There were none.

15. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Commissioner Cook moved, seconded by Commissioner Normandy to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel; passed 4-0 unanimously.

The Public Utilities Commission met in Closed Session from 10:40 a.m. to 12:25 p.m. to discuss the following matters:

16. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

No action was taken.

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant  
Regarding Claim of Kajima Engineering and Construction  
Inc. - Islais Creek Contract D Project.

No action was taken.

Note: Commissioner Caen was excused at 12:10 p.m.

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
- Existing Litigation: Regarding Claim of Howard Johnson, Claim No. 96-W-0047-1.
- Moved by Commissioner Normandy, seconded by Commissioner Cook, to approve a settlement for Item 18, passed (3-0) unanimously.
- Resolution No. 97-0224: Recommending to the Board of Supervisors a settlement of the claim of Howard Johnson, Claim No. 96-W-0047-1/97-02982.
19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
- Existing Litigation: Regarding Claim of Chang Zeng dba Tung Fong Trading Co. v. CCSF, Claim No. 97-01671.
- Moved by Commissioner Cook, seconded by Commissioner Normandy, to approve a settlement for Item 19, passed (3-0) unanimously.
- Resolution No. 97-0225: Recommending to the Board of Supervisors a settlement of the claim of Chang Zeng dba Tung Fong Trading Company, Claim No. 96-W-0044/97-01671.
19. a. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
- Existing Litigation: Hefter v. County of San Mateo, et.al., San Mateo Superior Court No. 400115.
- No action was taken.
20. Announcement following Closed Session.
- Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.
21. Motion regarding whether to disclose the discussions during Closed Session.
- Moved by Commissioner Normandy, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

Thereupon, the meeting was adjourned:

12:27 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

August 12, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

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## COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

## DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting: except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Bay Area Ridge Trail Update - 5 mins. (Moran)
  - b. Review of Audit Reports - 10 mins. (Carmichael)
  - c. Mission Based Goals and Objectives - 15 mins. (Moran)
  - d. Water Supply Master Plan - 15 mins. (Ritchie/Williams)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## REGULAR BUSINESS

9. Approving a multi-year phased re-landscaping plan for the Millbrae Headquarters site - 10 mins. (Davis)
10. Approving a line item equipment substitution in the Customer Service Bureau FY 1996-97 budget in the amount of \$100,000 to allow for the purchase of workstation improvements and various ergonomic office furnishings and equipment identified in a recent PUC Health and Safety Program study. (Mullane)
11. Authorizing the Bureau of Energy Conservation to apply for, accept and expend \$75,000 of grant funds from the U.S. Department of Energy and the Urban Consortium Energy Task Force to support the City's energy management activities. (Klein)
12. Authorizing the General Manager of Public Utilities to sign the contract amendment with the Department of Pesticide Regulation to accept and expend a \$20,000 grant to continue the Green Gardening Educator Training Program for the period September 1, 1997 to June 30, 1998. (Medbery)
13. Authorizing the Public Utilities Commission to enter into a \$80,000 sole source contract with the San Francisco League of Urban Gardeners to coordinate the Green Gardening Educator Training Program for the period September 1, 1997 to June 30, 1999. (Medbery)
14. Confirming the Declaration of Emergency by the President of the Public Utilities Commission for Contract 1452N, 33rd Avenue Sewer Replacement; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 33rd Avenue between Cabrillo and Fulton Streets. (Cockburn)
15. Confirming the Declaration of Emergency by the President of the Public Utilities Commission for Contract 1462N, Jersey Street Sewer Replacement; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Jersey Street between Diamond and Douglas Streets. (Cockburn)



## REGULAR BUSINESS (Continued)

16. Authorizing the General Manager of Public Utilities to request the Controller to transfer \$460,272 to cover expenditure overruns in the PUC operating budgets from unspent monies in the 1996-97 budget. (Carmichael)

### LEASES AND PERMITS

17. Authorizing the General Manager of Public Utilities to execute an Agreement Respecting Construction Concession and Waiver and Release of Claims with Artichoke Joe's, a California corporation, the Bay Area Rapid Transit District and the Public Utilities Commission concerning certain lands located in the City of San Bruno under the jurisdiction of the Public Utilities Commission. (Dowd)

### CONSTRUCTION CONTRACTS

#### Advertise

18. Approving the final plans and specifications for Contract No. 1254N, Eleventh Street Sewer Replacement, to replace existing 3' x 5' brick sewer in Eleventh Street from Harrison Street to Folsom Street; and authorizing advertisement for bids. (Cockburn)

#### Award

19. Awarding Contract Specification No. 1414N, Treat Avenue and 22nd Street Sewer Replacement, in the amount of \$248,640 to the lowest bidder, Harty Pipelines, Inc. As the lowest responsive bidder. (Cockburn)
20. Awarding Hetch Hetchy Contract No. HH-846, Early Intake Sluice Gates Replacement, in the amount of \$529,000.00, to the lowest responsive bidder, Shimmick Construction Company, Inc.; and approving the transfer of funds from Hetch Hetchy Dams, Rehabilitate Gates Project to this project. (Cockburn)

## PROFESSIONAL SERVICE CONTRACTS

### Amend

21. Authorizing the General Manager of Public Utilities to continue an existing relationship with Dr. Ronald Yoshiyama extending the term of the contract to August 31, 1998. (Klein)
22. Authorizing the General Manager of Public Utilities to continue an existing relationship with David M. Dornbusch & Co., Inc. extending the term of the contract to August 31, 1998. (Klein)
23. Authorizing the General Manager of Public Utilities to continue an existing relationship with Hannaford Consulting, Inc. increasing the contract amount by \$100,000 for a contract total not to exceed \$200,000. (Klein)
24. Authorizing the General Manager of Public Utilities to continue an existing relationship with Henwood Energy Services, Inc. increasing the contract amount by \$300,000 for a contract total not to exceed \$1,290,000. (Klein)

### Close

25. Authorizing the Bureau of System Planning and Regulatory Compliance to accept the completion of Professional Service Contract CS-463, Sunol Valley Water Treatment Improvement Plan performed by Carollo Engineers and AGS, Inc., a joint venture, and authorizing the release of 10% retention in the amount of \$12,758.39. (Ritchie)

## CLOSED SESSION

26. Public Comments on matters to be discussed in Closed Session.
27. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO

DISCUSS THE FOLLOWING MATTERS:

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 11 of San Mateo County lands, former Muni  
right of way in San Bruno, California  
Parties Negotiating: Lymburn/Dowd  
Lessee: Artichoke Joe's  
Under Negotiation: Price and Terms

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

30. Public Employee Performance Evaluation - Pursuant to Government Code Section No. 54957:

Position: General Manager of Public Utilities

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

31. Announcement following Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

August 12, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

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### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:05 P.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner E. Dennis Normandy  
  
Commissioner Frank L. Cook arrived at 1:10 p.m.  
  
Commissioner Robert K. Werbe was excused.

3. Approval of Minutes

On motion by Commissioner Caen, seconded by Commissioner Normandy, the Minutes of the Regular Meeting of July 22, 1997 and the Minutes of the Special Meeting of July 25, 1997 were approved (3-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Sunol Water Treatment Plant Improvement Project

Commissioner Normandy asked about the status of the Commission's request to conduct an independent study of the fault line at the proposed reservoir site. Mr. Anson B. Moran, General Manager of Public Utilities, stated that it is still under review by staff.

Sewer Complaint

Regarding the sewer service charges complaint made by Phyllis Schrobsdorff at the last meeting, President Makras directed staff to submit the inspection report to the Residential Users Appeals Board with a copy to the Public Utilities Commission. At the last meeting, staff was directed to submit a report to the Commission.

6. Introduction of New Business by Commissioners

Regarding the goal of the Commission to draw more subcontractors into contracting as prime contractors, President Makras stated that he would like to implement a "check and balance" system that would ensure that when these contractors become primes they were truly qualified by the Human Rights Commission. He suggested incorporating a system in the Request for Proposal or in the bid process where the



contractors would certify to the Commission that they meet all HRC qualifications and were entitled to receive MBE/WBE/LBE preference points. He suggested exploring ways to accomplish the goal of the Commission to help subcontractors become prime contractors.

Mr. Moran stated that staff would work with the City Attorney and the Human Rights Commission to incorporate in the bidding process an independent certification by subcontractors in addition to those requirements already established by HRC.

## 7. Report of the General Manager

### a. Bay Area Ridge Trail Update

Mr. Moran stated that in response to the Board of Supervisors request to look at options of opening the Bay Area Ridge Trail, staff explored several options of access that could qualify under a Negative Declaration. Staff prepared a project description that the Department of City Planning Office of Environmental Review circulated. One comment received was from the United States Fish and Wildlife indicating their concerns around protective habitats for threatened and endangered species. The Office of Environmental Review (OER) stated that since this problem cannot be resolved they could not issue a Negative Declaration. OER is meeting with Fish and Wildlife to see if they would accept mitigation to preserve the project. Mr. Moran stated that staff should know in a week if the project could go forward. At this time staff is planning to proceed with the revision of the programmatic EIR as part of the watershed management plan to incorporate the opening of the ridge trail alignment.

Commissioner Normandy asked about the condition of the brush in the Bay Area Ridge Trail area in relation to the fire danger. He said a high risk factor could mitigate the opening of the trail as it would put the public at a greater risk. Ms. Davis stated that she would submit a status report on the condition on the watershed and its fire potential.

Commissioner Cook commented about the risk in getting immediate emergency relief.

### b. Review of Audit Reports

Steven Carmichael, Director, Bureau of Finance gave an overview of the auditor's recommendations based on audits performed of the Water Department, Hetch Hetchy Water and Power, Clean Water Enterprise, the Suburban Revenue Requirement Calculation and PUC's Bonds, Grants and other Financial Agreements. Mr. Carmichael stated that staff concurred with the audit recommendations and have already implemented some recommendations.

Commissioner Caen suggested keeping the Commission informed of any correspondence sent to the Controller's Office such as the monthly closing statements. Commissioner Cook requested staff to give the Commission an overview of the department's policies and operating procedures. Mr. Moran stated that staff would give a presentation to the Commission regarding accounting policies and procedures.

c. Mission Based Goals and Objectives

Mr. Moran gave a presentation using electronic slides. He cited the goals and objectives of the Public Utilities Commission and discussed the different programs undertaken by staff to accomplish these goals.

Regarding the mission "to serve San Francisco and its Bay Area customers with reliable, high quality and affordable water" President Makras commented that staff should take steps to address how we can provide affordable water.

d. Water Supply Master Plan

Mary Williams, Project Manager, gave a presentation using electronic slides regarding the progress of the Water Supply Master Plan Project.

Ms. Williams discussed the various findings of Phase 1 of the Water Supply Master Plan which were about the range of potential future purchases of PUC supplies, the degree of PUC water supply reliability, the range of water supply needed, potential supply opportunities, and the decision framework in the development of the final water supply master plan.

Jeff Kishel of Montgomery Watson, consultant for the project, stated that they identified, in Phase I, three potential water supply options that could be considered for study in Phase II. The options to increase water supply availability were: (1) to build a new storage facility to meet a high level of firm supply, for example, surface water reservoirs, groundwater storage and conjunctive use; (2) to obtain new supplies through water transfer or purchase from other entities that have excess water; (3) and to implement local water supply projects such as groundwater reclamation, recycled water programs or increased demand management on a regional basis.

Ms. Williams reported that Phase 1 is ahead of schedule and would be completed on August 29, 1997. She noted that they met the MBE/WBE participation goal on this project which totaled 58%.

Commissioner Normandy commended staff in providing a comprehensible overview of the project and for meeting the project's schedule, the budget and the MBE/WBE/LBE subcontracting goals.

8. Public Comments

Ricardo Ramirez requested the Commission's assistance in obtaining the final payment due to him for the sewer replacement job he completed on Day and Dolores Streets. An agenda item to close out the contract was on the PUC agenda on July 22, 1997 and was removed due to concerns regarding minority participation goals not being met and the long delay in the completion of the project. President Makras requested PUC staff to meet with Mr. Ramirez to resolve the issues concerning the contract.

## REGULAR BUSINESS

9. Approving a multi-year phased re-landscaping plan for the Millbrae Headquarters site.

Cheryl Davis, Manager of the Water Supply & Treatment Division, presented the landscaping proposals for the Millbrae office. She noted that the proposals reflect the direction of the Commission to consider landscaping options that conserve water, have low maintenance cost and are aesthetically pleasing. She showed pictures of the different vegetation options. The landscaping master plan prepared by staff proposed a multi-year phased re-landscaping of Millbrae Headquarters as follows: Zone A (the portion in front of the headquarters administration building); Zone B (site of the headquarters building); Zone C (frontage area between El Camino Real and the enclosed portion of the Millbrae site) and Zone D (the portion of the site behind the headquarters building). Ms. Davis noted that staff was not proposing any work for Zone D at this time.

Commissioner Caen commented that the proposal seemed very costly for what the department would get out of it. She suggested making Zone A a demonstration garden and put low maintenance vegetation in Zone C. Commissioner Normandy commented that Zone C should fall lower in the scale of priorities. He also suggested making Zone A the demonstration garden for public education purposes.

Commissioner Normandy moved to adopt staff's proposal with the exception of Zone C, which staff should remove from the priority list at this time. Commissioner Cook seconded.

Commissioner Caen suggested putting more emphasis on Zone A and plan something minor for Zone B.

President Makras commented that the agenda item was not clear as to what the department was getting for the costs. He suggested establishing a benchmark on what is needed to be done and determine the minimum cost to accomplish that benchmark based on the Commission's direction to eliminate grass turfs and maintain the sites presentable. Ms. Davis responded that staff would provide to the Commission a clearer statement on what would be the minimum cost to get rid of turf grass.

Commissioner Cook suggested phasing the project over a longer period of time.

Commissioners Normandy and Cook withdrew their motion to approve the item. President Normandy stated that he was withdrawing his motion with the understanding that: (1) this project would be implemented as a multi-year plan; (2) there would be maximum coverage per square footage at minimal cost; (3) Zone C would be eliminated from the planning process; and (4) this would be a part of an integrated plan.

Staff would return to the Commission to request approval of a revised plan.

10. Approving a line item equipment substitution in the Customer Service Bureau FY 1996-97 budget.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 10, passed (4-0) unanimously.

Resolution No. 97-0226: Approving a line item equipment substitution in the Customer Service Bureau FY 1996-97 budget in the amount of \$100,000 to allow for the purchase of workstation improvements and various ergonomic office furnishings and equipment identified in a recent PUC Health and Safety Program study.

11. Authorizing the Bureau of Energy Conservation to apply for, accept and expend grant funds from the U.S. Department of Energy and the Urban Consortium Energy Task Force.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 11, passed (4-0) unanimously.

Resolution No. 97-0227: Authorizing the Bureau of Energy Conservation to apply for, accept and expend \$75,000 of grant funds from the U.S. Department of Energy and the Urban Consortium Energy Task Force to support the City's energy management activities.

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On recommendation by President Makras, Items 12 and 13 were taken together.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Items 11 and 12, passed (4-0) unanimously.

12. Resolution No. 97-0228: Authorizing the General Manager of Public Utilities to sign the contract amendment with the Department of Pesticide Regulation to accept and expend a \$20,000 grant to continue the Green Gardening Educator Training Program for the period September 1, 1997 to June 30, 1998.
13. Resolution No. 97-0229: Authorizing the Public Utilities Commission to enter into a \$80,000 sole source contract with the San Francisco League of Urban Gardeners to coordinate the Green Gardening Educator Training Program for the period September 1, 1997 to June 30, 1999.

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On recommendation by President Makras, Items 14 and 15 were taken together.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Items 14 and 15, passed (4-0) unanimously.

14. Resolution No. 97-0230: Confirming the Declaration of Emergency by the President of the Public Utilities Commission for Contract 1452N, 33rd Avenue Sewer Replacement; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 33rd Avenue between Cabrillo and Fulton Streets.
15. Resolution No. 97-0231: Confirming the Declaration of Emergency by the President of the Public Utilities Commission for Contract 1462N, Jersey Street Sewer Replacement; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Jersey Street between Diamond and Douglas Streets.

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16. Authorizing transfer of \$460,272 to cover expenditure overruns in the PUC operating budgets.

President Makras requested staff to provide a list of accounts with surplus funds.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0232: Authorizing the General Manager of Public Utilities to request the Controller to transfer \$460,272 to cover expenditure overruns in the PUC operating budgets from unspent monies in the 1996-97 budget.

Note: President Makras announced that Item 17 would be discussed after the Closed Session.

## **CONSTRUCTION CONTRACTS**

18. Approving advertisement for bids for Contract No. 1254N, Eleventh Street Sewer Replacement.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 18, passed (4-0) unanimously.

Resolution No. 97-0233: Approving the final plans and specifications for Contract No. 1254N, Eleventh Street Sewer Replacement, to replace existing 3' x 5' brick sewer in Eleventh Street from Harrison Street to Folsom Street; and authorizing advertisement for bids.

19. Awarding Contract Specification No. 1414N, Treat Avenue and 22nd Street Sewer Replacement.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 19, passed (4-0) unanimously.

Resolution No. 97-0234: Awarding Contract Specification No. 1414N, Treat Avenue and 22nd Street Sewer Replacement, in the amount of \$248,640 to the lowest bidder, Harty Pipelines, Inc. As the lowest responsive bidder.

20. Awarding Hetch Hetchy Contract No. HH-846, Early Intake Sluice Gates Replacement.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 20, passed (4-0) unanimously.

Resolution No. 97-0235: Awarding Hetch Hetchy Contract No. HH-846, Early Intake Sluice Gates Replacement, in the amount of \$529,000.00, to the lowest responsive bidder, Shimmick Construction Company, Inc.; and approving the transfer of funds from Hetch Hetchy Dams, Rehabilitate Gates Project to this project.

## **PROFESSIONAL SERVICE CONTRACTS**

21. Authorizing extension of the contract with Dr. Ronald Yoshiyama.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 21, passed (4-0) unanimously.

Resolution No. 97-0236: Authorizing the General Manager of Public Utilities to continue an existing relationship with Dr. Ronald Yoshiyama extending the term of the contract to August 31, 1998.

22. Authorizing the General Manager of Public Utilities to continue an existing relationship with David M. Dornbusch & Co., Inc. extending the term of the contract to August 31, 1998.

Item 22 was removed from the agenda.

23. Authorizing the General Manager of Public Utilities to continue an existing relationship with Hannaford Consulting, Inc..

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 23, passed (4-0) unanimously.

Resolution No. 97-0237: Authorizing the General Manager of Public Utilities to continue an existing relationship with Hannaford Consulting, Inc. increasing the contract amount by \$100,000 for a contract total not to exceed \$200,000.



24. Authorizing the General Manager of Public Utilities to continue an existing relationship with Henwood Energy Services, Inc. increasing the contract amount by \$300,000 for a contract total not to exceed \$1,290,000.

Item 24 was removed from the agenda.

25. Accepting completion of Professional Service Contract CS-463, Sunol Valley Water Treatment Improvement Plan.

President Makras commended staff for excellent MBE/WBE participation on this contract.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 25, passed (4-0) unanimously.

Resolution No. 97-0238: Authorizing the Bureau of System Planning and Regulatory Compliance to accept the completion of Professional Service Contract CS-463, Sunol Valley Water Treatment Improvement Plan performed by Carollo Engineers and AGS, Inc., a joint venture, and authorizing the release of 10% retention in the amount of \$12,758.39.

## **CLOSED SESSION**

26. Public Comments on matters to be discussed in Closed Session.

There were none.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to assert the attorney-client privilege regarding the matters listed as Conference with Legal Counsel, passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:30 p.m. to 5:20 p.m. to discuss the following matters:

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 11 of San Mateo County lands, former Muni right of way in San Bruno, California

Parties Negotiating: Lymburn/Dowd

Lessee: Artichoke Joe's

Under Negotiation: Price and Terms

No action was taken.

Note: Commissioner Caen was excused at 4:35 p.m.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

No action was taken.

30. Public Employee Performance Evaluation - Pursuant to Government Code Section No. 54957:

Position: General Manager of Public Utilities

No action was taken.

31. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

The Commission resumed to the discussion of the Regular Agenda.

## LEASES AND PERMITS

17. Authorizing an Agreement Respecting Construction Concession and Waiver and Release of Claims with Artichoke Joe's, the Bay Area Rapid Transit District and the Public Utilities Commission.

Brian Fitzpatrick, Senior Real Estate Officer for the Bay Area Rapid Transit District (BART), expressed their support of the proposed agreement.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 17, passed (3-0) unanimously.

Resolution No. 97-0239: Authorizing the General Manager of Public Utilities to execute an Agreement Respecting Construction Concession and Waiver and Release of Claims with Artichoke Joe's, a California corporation, the Bay Area Rapid Transit District and the Public Utilities Commission concerning certain lands located in the City of San Bruno under the jurisdiction of the Public Utilities Commission.

Thereupon, the meeting was adjourned: 5:21 P.M.

Romaine A. Boldridge  
Secretary



# **AGENDA**

## **PUBLIC UTILITIES COMMISSION**

### **CITY AND COUNTY OF SAN FRANCISCO**

Willie L. Brown, Jr.  
MAYOR

## **REGULAR MEETING**

August 26, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

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AUG 20 1997

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PUBLIC LIBRARY

## **COMMISSIONERS**

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

## **DEPARTMENTS**

Water Department  
Hetch Hetchy  
Clean Water Program

## **BUREAUS**

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Toilet Direct Sales Program - 5 mins. (Mullane/Knox)
  - b. Presentation on Historic Preservation Issues - 10 mins. (Klein)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.



## REGULAR BUSINESS

9. PUBLIC HEARING - To consider findings of fact and judgment relating to the transfer of funds from Hetch Hetchy Water & Power to the General Fund. (Klein)
10. To receive a report on the progress of the work at Lake Merced. 5 mins. (Ritchie)
11. Authorizing the expenditure of additional \$750,000 for repairs related to the January 14, 1997 Declaration of Emergency. (Davis)

## LEASES AND PERMITS

12. Authorizing the General Manager of Public Utilities to execute an "Assignment and Assumption of Lease and Consent to Assignment" with Evergreen Media Corporation of Tiburon, Assignor, and O.I.A., L.L.C., Assignee for approximately 4 acres of Public Utilities Commission land located on a portion of Parcel 46 of San Mateo County lands, East Palo Alto, for maintaining a remote controlled transmitter station at a monthly rental rate of \$2,500.00. (Dowd)
13. Authorizing the General Manager of Public Utilities to execute a lease with Pacific Bell Mobile Services for approximately 150 square feet of land located on a portion of Parcel 65 of Sunol and San Antonio lands in Alameda County for use as communications site for a personal communication service system facility at a monthly rental rate of \$2,000.00. (Dowd)
14. Authorizing the General Manager of Public Utilities to execute a permit with YMCA of San Francisco-Stonestown Branch, to conduct a youth soccer program on a portion of Parcel 56 of San Francisco lands, Merced Manor Reservoir. (Dowd)
15. Approving the terms and conditions of the Easement Deed to William R. and Pamela C. Ludwig for roadway access over Public Utilities Commission land located in Tuolumne County. (Dowd)

## CONSTRUCTION CONTRACTS

### Advertise

16. Approving the final plans and specifications for San Francisco Water Department Contract WD-2201, 16-Inch Ductile Iron Feeder Main Installation in Fillmore Street between Ellis Street and Pacific Avenue; and authorizing advertisement for bids. (Cockburn)
17. Approving the final plans and specifications for Contract 1330N, 2nd and 9th Streets Sewer Abandonment; and authorizing advertisement for bids. (Cockburn)

### Award

18. Awarding Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs, in the amount of \$618,750 to the lowest responsive bidder, A. Ruiz Construction Company and Associates. (Cockburn)
19. Awarding San Francisco Water Department Contract No. WD-2228, BDPL Nos. 1 & 2 Timber Trestle Repairs - Contract 3 of 5 in the amount of \$824,680 to the lowest responsive bidder, Miller/Thompson Constructors, Inc. (Cockburn)
20. Awarding Contract Specification No. 1106N, Western Presidio Drainage Improvements, in the amount of \$548,879 to the lowest responsive bidder, San Luis Gonzaga/Ranger Pipeline, Joint Venture. (Cockburn)
21. Awarding Contract Specification No. 1202N, North Point Water Pollution Control Plant Improvement - Phase 2, in the amount of \$3,374,440 to the lowest responsive bidder, Nationwide Construction Co./Shimmick Construction Co., Joint Venture. (Cockburn)
22. Awarding Contract Specification No. 1405N, Natoma/Green Streets Sewer Replacement, in the amount of \$208,205 to the lowest bidder, Harty Pipelines, Inc. (Cockburn)

## **CONSTRUCTION CONTRACTS (Continued)**

### **Amend**

23. Approving Contract Modification No. 2 for San Francisco Water Department Contract No. WD-2206, Replace Castlewood Reservoir, with A. Ruiz Construction Co. & Associates, Inc. increasing the contract amount by \$650,000 to provide for the engineering, construction and testing of replacement wells; and approving the transfer of \$650,000 from "Sunol Fast Track Project" to "Replace Castlewood Reservoir Project". (Cockburn)

## **PROFESSIONAL SERVICE CONTRACTS**

### **Amend**

24. Authorizing the General Manager of Public Utilities to continue an existing relationship with Henwood Energy Services, Inc. increasing the contract amount by \$300,000 for a contract total not to exceed \$1,290,000. (Klein)
25. Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute Amendment No. 6 to the professional services agreement with Dames and Moore for engineering and construction services required for the Priest Reservoir Bypass Project increasing the contract amount by an amount not to exceed \$600,000 and extending the term of the contract through December 31, 1999. (Cockburn)

## CLOSED SESSION

26. Public Comments on matters to be discussed in Closed Session.
27. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

### THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Cockburn/Simpson)

Existing Litigation: Seacliff Sinkhole/Yee v. CCSF.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Dowd/Sullivan/Gutierrez)

Existing Litigation: Devitt vs. CCSF, City of Burlingame, et.al., San Mateo Superior Court No. 398-201.

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcels 22, 23, and 24 of San Mateo County lands, former Muni right of way in Burlingame California.

Parties Negotiating: CCSF - Dowd/Sullivan  
City of Burlingame

Under Negotiation: Price and Terms

31. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County.

Parties Negotiating: CCSF - Dowd/Sullivan

Lessee - Mission Valley Rock

Under Negotiation: Price and Terms

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

33. Announcement following Closed Session.

34. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

#### REGULAR MEETING

August 26, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

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#### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 1:05 PM.
2. Roll Call: Present - President Victor G. Makras, Commissioner Frank L. Cook, Commissioner E. Dennis Normandy  
  
Vice President Ann Moller Caen arrived at 1:12 p.m.  
  
Commissioner Robert K. Werbe was excused.

3. Approval of Minutes

On motion by Commissioner Normandy, seconded by Commissioner Cook, the Minutes of the Special Meeting on August 5, 1997 and the Minutes of the Regular Meeting of August 12, 1997 were approved (4-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy thanked staff for the report to the Commission indicating a very high fire danger on the Peninsula watershed and asked to be kept informed regarding the negotiations on the Bay Area Ridge Trail.

6. Introduction of New Business by Commissioners

**Sunol Temple Restoration**

Commissioner Normandy noted that there would be a kick off celebration on September 27, 1997 to commemorate the start of restoration work on the Sunol Water Temple. Staff would send a memo to the Commissioners regarding the details of the event.

**Grazing Resources Management Plan**

Commissioner Normandy reported that an event was held Friday, August 22, 1997 to commemorate the accord between the Public Utilities Commission, its lessees, members of the cattle industry, and the immuno-compromised community concerning grazing in the watershed.

Timothy M. Dayonot, Government and Public Affairs Manager, noted that the event

was held according to the Commission's direction to raise public awareness about the Public Utilities Commission and what it does. The event captured good media coverage both in local newspapers and on television stations. Mr. Dayonot showed videotapes of the news coverage aired by Channels 2, 4 and 5.

President Makras stated that during next year's budget review, he intended to propose that the Commission consider earmarking surplus funds from real estate revenues toward the implementation of the program.

## 7. Report of the General Manager

### a. Toilet Direct Sales Program

President Makras and Commissioner Caen presented checks to the representatives from the Baykeeper and Thurgood Marshal's Athletic Program for their services in the distribution of low flow toilets to residential customers.

### b. Presentation on Historic Preservation Issues

Mr. Rand Herbert, a Partner at JRP Historical Consulting Services, gave a presentation using an overhead projector. He reported that JRP would be conducting an historic building inventory and evaluation of the Moccasin Complex and its landscaping to see if there were any resources in the complex eligible for listing on the National Register of Historic Places. Mr. Herbert discussed the evaluation process and the criteria for consideration of historic resources.

President Makras expressed concerns that designating our structures in Moccasin as historic may limit PUC's ability to access or operate at that site in the future.

President Makras directed staff to calendar this matter for the PUC Agenda so that the Commission could further discuss the historical designation of Moccasin. Commissioner Normandy suggested that staff provide specific arguments both pros and cons of declaring the property historical and include the benefits, if any, to other interested parties.

### c. North Shore Pump Station Flooding

William Keaney, Manager of the Bureau of Water Pollution Control, reported on the flooding at the North Shore Pump Station last Tuesday evening using an overhead projector. Mr. Keaney showed a video tape of the flooded dry weather section of the pump station.

President Makras commended Mr. Klein for his able leadership as Acting General Manager and keeping the Commission fully informed of the status of the incident.

8. Public Comments

There were none.

## REGULAR BUSINESS

9. PUBLIC HEARING - To consider findings of fact and judgment relating to the transfer of funds from Hetch Hetchy Water & Power to the General Fund.

Mr. Klein indicated that staff recommended the transfer of funds to the General Fund based upon the following findings of fact: (1) that a surplus exists or was projected to exist; (2) that there was no unfunded Hetch Hetchy operating or capital program that by lack of funding could jeopardize health, safety, water supply or power production; (3) that there was no reasonably foreseeable operating contingency that cannot be funded without general fund subsidy; (4) that the transfer of funds reflect prudent utility practice.

Joan Gerardo, President of the Coalition of San Francisco Neighborhoods, urged the Commission not to transfer the \$45.7 million to the general fund and instead to redirect the money to the Water Department's capital improvement projects.

Emeric Kalman expressed his opposition to transferring Hetch Hetchy funds to the general fund.

President Makras asked whether the PUC had the authority to transfer surplus funds to any other accounts other than the General Fund. Mr. Thomas M. Berliner, Utilities General Counsel, responded negatively.

Commissioner Normandy commented that a message should be conveyed to the public that under the new Charter, the PUC is left with no option but to transfer surplus funds to the General Fund. He suggested that staff create a definitive statement clarifying what the Commission could and could not do regarding surplus funds. President Makras directed staff to explore how PUC could transfer Hetch Hetchy surplus funds to Water Department projects.

President Makras stated that he concurred with the four findings of facts and judgment submitted by staff.

Moved by Commissioner Cook, seconded by President Makras, to adopt Item 9, passed (4-0) unanimously.

Resolution No. 97-0240: Adopting the findings of fact and judgment relating to the transfer of funds from Hetch Hetchy Water & Power to the General Fund; and approving an increase to the general fund contribution to \$45,703,273, thus amending the Hetch Hetchy FY 1997-98 budget and requesting concurrence by the Board of Supervisors.

10. To receive a report on the progress of the work at Lake Merced.

Steve Ritchie, Manager, Bureau of System Planning & Regulatory Compliance, reported that PUC staff in association with Recreation and Park Department was in the process of putting together a Lake Merced Comprehensive Management Plan. The Plan will identify different plans of actions that will maximize the use of Lake Merced. A draft will be completed in September and staff would bring it to the Commission in October 1997.

Mr. Ritchie reported that discussions were still underway between the City of Daly City and the golf courses regarding use of recycled water for irrigation. PUC staff is not involved in these discussions at this time.

He said that staff intended to bring the Groundwater Master Plan to the Commission at the second meeting in November.

Emeric Kalman inquired as to why Lake Merced had been declared as legal emergency drinking water supply.

Joan Gerardo asked why was Lake Merced leaking.

11. Authorizing the expenditure of additional \$750,000 for repairs related to the January 14, 1997 Declaration of Emergency.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 11, passed (4-0) unanimously.

Resolution No. 97-0241: Authorizing the expenditure of additional \$750,000 for repairs related to the January 14, 1997 Declaration of Emergency.

## LEASES AND PERMITS

12. Authorizing the General Manager of Public Utilities to execute an "Assignment and Assumption of Lease and Consent to Assignment" with Evergreen Media Corporation of Tiburon, Assignor, and O.I.A., L.L.C., Assignee for approximately 4 acres of Public Utilities Commission land located on a portion of Parcel 46 of San Mateo County lands, East Palo Alto, for maintaining a remote controlled transmitter station at a monthly rental rate of \$2,500.00.

Commissioner Normandy asked about the disparity in the monthly rental rates for Items 12 and Item 13.

President Makras commented that the property was undervalued considering the value of the site to the assignee's broadcasting operation.

Wil Hobbs, Vice President of Acquisitions for O.I.A., L.L.C., stated that the transaction for acquisition of the station had been closed; however, their company would be willing to work with staff to determine the economic value of the property and negotiate a long term lease with the City. Commissioner Makras commented that he was displeased with the fact that O.I.A., L.L.C., closed the transaction without the assignment taking place.

President Makras directed staff to: (1) prepare a report on whether there was a violation of the lease agreement by O.I.A., L.L.C., in closing the transaction without Commission approval of the assignment; and (2) negotiate a fair market rental and lease terms and return to the Commission in 30 days.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to continue Item 12 to a date not specified, passed (4-0) unanimously.

13. Authorizing a lease with Pacific Bell Mobile Services.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 13, passed (4-0) unanimously.

Resolution No. 97-0242: Authorizing the General Manager of Public Utilities to execute a lease with Pacific Bell Mobile Services for approximately 150 square feet of land located on a portion of Parcel 65 of Sunol and San Antonio lands in Alameda County for use as communications site for a personal communication service system facility at a monthly rental rate of \$2,000.00.



14. Authorizing a permit with YMCA of San Francisco-Stonestown Branch.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 14, passed (4-0) unanimously.

Resolution No. 97-0243: Authorizing the General Manager of Public Utilities to execute a permit with YMCA of San Francisco-Stonestown Branch, to conduct a youth soccer program on a portion of Parcel 56 of San Francisco lands, Merced Manor Reservoir.

15. Approving an Easement Deed to William R. and Pamela C. Ludwig.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 15, passed (4-0) unanimously.

Resolution No. 97-0244: Approving the terms and conditions of the Easement Deed to William R. and Pamela C. Ludwig for roadway access over Public Utilities Commission land located in Tuolumne County.

## CONSTRUCTION CONTRACTS

16. Authorizing advertisement for bids for San Francisco Water Department Contract WD-2201.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0245: Approving the final plans and specifications for San Francisco Water Department Contract WD-2201, 16-Inch Ductile Iron Feeder Main Installation in Fillmore Street between Ellis Street and Pacific Avenue; and authorizing advertisement for bids.

17. Authorizing advertisement for bids for Contract 1330N.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 17, passed (4-0) unanimously.

Resolution No. 97-0246: Approving the final plans and specifications for Contract 1330N, 2nd and 9th Streets Sewer Abandonment; and authorizing advertisement for bids.

18. Awarding Hetch Hetchy Contract No. HH-861.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 18, passed (4-0) unanimously.

Resolution No. 97-0247: Awarding Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs, in the amount of \$618,750 to the lowest responsive bidder, A. Ruiz Construction Company and Associates.

Commissioner Normandy recommended approving item nos. 19, 20, 21, and 22 on consent.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item Nos. 19, 20, 21 and 22; passed (4-0) unanimously.

19. Resolution No. 97-0248: Awarding San Francisco Water Department Contract No. WD-2228, BDPL Nos. 1 & 2 Timber Trestle Repairs - Contract 3 of 5 in the amount of \$824,680 to the lowest responsive bidder, Miller/Thompson Constructors, Inc.
20. Resolution No. 97-0249: Awarding Contract Specification No. 1106N, Western Presidio Drainage Improvements, in the amount of \$548,879 to the lowest responsive bidder, San Luis Gonzaga/Ranger Pipeline, Joint Venture.
21. Resolution No. 97-0250: Awarding Contract Specification No. 1202N, North Point Water Pollution Control Plant Improvement - Phase 2, in the amount of \$3,374,440 to the lowest responsive bidder, Nationwide Construction Co./Shimmick Construction Co., Joint Venture.
22. Resolution No. 97-0251: Awarding Contract Specification No. 1405N, Natoma/Green Streets Sewer Replacement, in the amount of \$208,205 to the lowest bidder, Harty Pipelines, Inc.

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23. Approving Contract Modification No. 2 for San Francisco Water Department Contract No. WD-2206, Replace Castlewood Reservoir, with A. Ruiz Construction Co. & Associates, Inc. increasing the contract amount by \$650,000 to provide for the engineering, construction and testing of replacement wells; and approving the transfer of \$650,000 from "Sunol Fast Track Project" to "Replace Castlewood Reservoir Project".

Robert T. Cockburn, Manager of Utilities Engineering Bureau, proposed two alternatives to proceed with the replacement of wells at the Castlewood Country Club in Pleasanton. One was to contract the engineering and well drilling work as a sub contract to A. J. Ruiz; and, two, was to proceed with the engineering work as a subcontract and declare an emergency. Mr. Cockburn recommended amending the contract and having the existing contractor, A. J. Ruiz coordinate the work.

President Makras suggested putting out the \$650,000 contract for bids. Mr. Cockburn responded that rebidding it under normal contracting procedures would take longer for work to start. He stated that out of four wells, there was only one well used to deliver water to customers in Castlewood. He noted that the PUC has a legal obligation to supply water to customers in this area; and at the present time, the City of Pleasanton was augmenting the supply until the replacement wells are built. President Makras commented that declaring an emergency would be more appropriate as it would enable other contractors to bid on the contract.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to reject Item 23 so that staff could put the contract out for bids as emergency work under the rules of Emergency Declaration; passed (4-0) unanimously.

## **PROFESSIONAL SERVICE CONTRACTS**

24. Continuing an existing relationship with Henwood Energy Services, Inc.

President Makras recommended approving the extension of the contract up to July 31, 1998 and directing staff to put the contract out to competitive bidding at that time.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 24, passed (4-0) unanimously.

Resolution No. 97-0252: Authorizing the General Manager of Public Utilities to continue an existing relationship with Henwood Energy Services, Inc. increasing the contract amount by \$300,000 for a contract total not to exceed \$1,290,000.

25. Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute Amendment No. 6 to the professional services agreement with Dames and Moore for engineering and construction services required for the Priest Reservoir Bypass Project increasing the contract amount by an amount not to exceed \$600,000 and extending the term of the contract through December 31, 1999.

President Makras inquired whether the MBE/WBE participation for this contract could be increased to 50%. Gary Wong, Contract Compliance Officer from the Human Rights Commission, commented that MBE/WBE goals were set based on the availability of HRC certified firms and what is feasible and realistic for a given contract. Mr. Wong stated that the participation goals set for this contract were realistic and meet MBE/WBE subcontracting rules. He added that any changes to the goals already set were subject to HRC's review and approval.

Mr. Cockburn stated that staff would return to the Commission at the next regular meeting and report on how the MBE/WBE subcontracting goals were set for this contract. Staff would also prepare a report regarding prime and subcontractors participation in PUC contracts as of the last fiscal year and the current year.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 25 to the next regular meeting scheduled on September 9, 1997; passed (4-0) unanimously.

## **CLOSED SESSION**

26. Public Comments on matters to be discussed in Closed Session.

There were none.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege, passed (4-0) unanimously.

The meeting was recessed from 3:10 p.m. to 3:25 p.m.

The Public Utilities Commission met in Closed Session from 3:25 p.m. to 5:35 p.m. to discuss the following matters:

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Seacliff Sinkhole/Yee v. CCSF.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt a resolution for Item 28; passed (4-0) unanimously.

Resolution No. 97-0253: Recommending a modification of the contract indemnity clause for Ed Graf, consultant in the Seacliff Sinkhole/Yee v. CCSF.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Devitt vs. CCSF, City of Burlingame, et.al., San Mateo Superior Court No. 398-201.

No action taken.

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcels 22, 23, and 24 of San Mateo County lands, former Muni right of way in Burlingame California.

Parties Negotiating: CCSF - Dowd/Sullivan  
City of Burlingame

Under Negotiation: Price and Terms

No action taken.

31. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County.

Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock

Under Negotiation: Price and Terms

No action taken.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

No action taken.

33. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

34. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:38 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

DOCUMENTS DEPT.

### REGULAR MEETING

SEP 05 1997

SAN FRANCISCO  
PUBLIC LIBRARY

September 9, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.



## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Bay Area Ridge Trail Update - 5 mins. (Moran)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR BUSINESS**

9. Directing the General Manager of the Public Utilities Commission to initiate a re-landscaping of the Moccasin Administration Building Grounds in compliance with appropriate regulatory guidelines. 10 mins. (Klein)
10. Approving the scope of work and work plan for Phase 2: Prepare Water Supply Master Plan; and providing direction on contracting for professional services to support Phase 2 by either authorizing amendment of the contract with Montgomery Watson/Ellington/Balloffet Joint Venture, or authorizing advertisement for proposals at a cost in the range of \$1.5 to \$1.75 million over two years. 15 mins (Williams)

## **LEASES AND PERMITS**

11. Approving the terms and conditions of that certain lease with Tom Koulouris, as Lessee, for the purpose of operating a gasoline station and automotive repair and services related thereto on property adjacent to 998 ElCamino Real in South SanFrancisco in San Mateo County, commencing retroactive to May 1, 1997 on a month-to-month basis

## **CONSTRUCTION CONTRACTS**

### **Advertise**

12. Approving the plans and specifications for Bayshore Boulevard Sewer Replacement and Catchbasin Relocation, 1392N, to replace sewers on Bayshore Boulevard from Jerrold Avenue to Oakdale Avenue; and authorizing the Department of Public Works to utilize work order monies to fund the sewer work to be incorporated into the DPW street and traffic work contract.

### **Award**

13. Rejecting the bids received for Public Utilities Commission Contract Specification No. 1223W, Islais Creek Public Access Improvements; and authorizing readvertisement for bids. (Cockburn)

## **Amend**

14. Accepting the work performed under Utilities Engineering Bureau Contract No. 1023N as satisfactorily completed; approving Contract Modification No. 1 in the credit amount of \$73,588.80; approving an extension of 74 days for completion; and approving final payment of 5% Retention for \$16,976.93 for a total contract payment of \$339,538.55 to the Contractor, Ramirez Corporation.

## **PROFESSIONAL SERVICE CONTRACTS**

## **Award**

15. Authorizing the Manager of the System Planning and Regulatory Compliance Bureau to negotiate and execute a Professional Services Agreement to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project with the Montgomery Watson/AGS, Inc./Structus Joint Venture for a contract amount not to exceed \$5,640,000; authorizing the transfer of funds in the amount of \$1,653,130 from Sunol Fast Track Project to Sunol Valley Water Treatment Improvement Project; and directing staff to utilize the cost estimate information received from other proposers to negotiate the most appropriate Scope of Work and contract cost. (Ritchie)

## **Amend**

16. Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute Amendment No. 6 to the professional services agreement with Dames and Moore for engineering and construction services required for the Priest Reservoir Bypass Project increasing the contract amount by an amount not to exceed \$600,000 and extending the term of the contract through December 31, 1999. (Continued from the meeting of August 26, 1997). (Cockburn)

## **CLOSED SESSION**

17. Public Comments on matters to be discussed in Closed Session.
18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO  
DISCUSS THE FOLLOWING MATTERS:

- 19.. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Wiley)

Existing Litigation: Juanita Rieloff v. CCSF  
Superior Court No. 975-694

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Dowd/Sullivan/Gutierrez)

Existing Litigation: Devitt vs. CCSF, City of Burlingame, et.al., San Mateo Superior  
Court No. 398-201.

22. Conference with Real Property Negotiator - Pursuant to Government Code Section  
54956.8:

Property: Portion of Parcels 22, 23, and 24 of San Mateo County lands,  
former Muni right of way in Burlingame California.

Parties Negotiating: CCSF - Dowd/Sullivan  
City of Burlingame

Under Negotiation: Price and Terms

23. Conference with Real Property Negotiator - Pursuant to Government Code Section  
54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County.

Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock

Under Negotiation: Price and Terms

24. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Sewer and public utility easement on Octavia Street Between Post Street and Geary Boulevard

Parties Negotiating: CCSF - Dowd/Sullivan  
Northern California Presbyterian Homes and Services

Under Negotiation: Price and Terms

25. Public Employee Performance Evaluation - Pursuant to Government Code Section No. 54957:

Position: General Manager of Public Utilities

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

26. Announcement following Closed Session.
27. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



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# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

September 9, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DOCUMENTS DEPT.

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### DEPARTMENTS

Water Department  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control

Anson B. Moran  
GENERAL MANAGER

Lorna T. Navarro  
ACTING SECRETARY





1. Call to Order: 1:05 P.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Robert K. Werbe

3. Approval of Minutes

On motion by Commissioner Normandy, seconded by Commissioner Caen, the Minutes of the Regular Meeting of August 26, 1997 were approved as amended; (4-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

- a. Bay Area Ridge Trail Update

Anson B. Moran, General Manager of Public Utilities, reported that the Department of City Planning had decided not to issue a Negative Declaration for the limited trail access program due to concerns raised by the Department of Fish and Wildlife regarding the effects of the proposed access program on the fish and wildlife in that area. Mr. Moran indicated that staff would be scheduling a meeting with all interested parties to discuss an alternative option.

8. Public Comments

Mike Siegenthaler, Yosemite Gateway Hostel Society, stated that Hetch Hetchy will hold an auction of various equipment in Moccasin on September 13, 1997. He expressed concern that the equipment may be of historical importance to Moccasin and should be preserved. President Makras directed staff to look into this matter and report to the Commission.

Emeric Kalman requested an explanation regarding the PUC's possible violation of Amendment 5.01 of the Raker Act in allowing the transfer of Hetch Hetchy surplus funds to the general fund. He also requested an explanation regarding the issuance of \$500 million worth of bonds without voters approval. Commissioner Makras directed staff to respond to Mr. Kalman's concerns in writing and provide a summary of the bonds issued, how many were approved by the public and by the Commission.

## REGULAR BUSINESS

9. Directing the General Manager of the Public Utilities Commission to initiate a re-landscaping of the Moccasin Administration Building Grounds in compliance with appropriate regulatory guidelines.

President Makras suggested that the Commission hear staff's presentation today and not take action until after hearing all the presentations regarding landscape plans for PUC properties at which time the Commission may act on the landscaping issues as a combined policy.

Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, reported that staff worked with community members within Tuolumne County to develop a landscaping plan that would meet the direction of the Commission. The plan was reviewed by the Tuolumne County Planning Department and the Tuolumne Historic Preservation Committee. He stated that staff in Moccasin was not supportive of the plan and instead would like to preserve the existing landscape. They believe that the plan would increase maintenance cost and water consumption.

John Thomas, Landscape Architect from the Department of Public Works, discussed the landscape proposal for the area around the Moccasin Administration Building. He stated that Moccasin staff expressed concerns regarding a foreseen increase in wildlife, mice, rodents and snakes. Mr. Thomas stated that the project was estimated to cost \$165,000 and save 500,000 gallons.

Mike Siegenthaler, an employee in Moccasin, commented by videophone that re-landscaping the area around Moccasin would mean increased maintenance costs and higher water consumption. He commented that the existing vegetation already reflected the values of the Commission and it is aesthetically pleasing. He said it

could be improved to consolidate water conserving measures without the estimated \$165,000 major capital expenditure proposed to relandscape the area.

Robert Wood, Hetch Hetchy Engineering Department in Moccasin commented by videophone that native plants would be more labor intensive to maintain and would need more water than plants already established in the area. He stated that changing the existing landscape would be more costly.

Mark Thornton, Supervisor, Tuolumne County District IV, commented that there was no real fiscal savings from relandscaping. He requested that the Commission hold its relandscaping plans until the historical survey is completed.

Bev Shane, Planning Director and Environmental Coordinator for Tuolumne County, requested that the Commission delay action on relandscaping until after the historical study of Moccasin is completed.

Commissioner Normandy noted that the landscaping policy should incorporate all issues concerning water conservation, operations savings, costs, the current and historic image of Moccasin, civic participation and employee morale. He suggested creating a landscaping policy specific to each property rather than creating a blanket approach. He stated that a blanket policy of landscaping may be beneficial to one property but may be harmful to another.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 9 to the call of the Chair; passed (4-0) unanimously.

10. Approving the scope of work and work plan for Phase 2: Prepare Water Supply Master Plan; and authorizing the Manager of System Planning and Regulatory Compliance, to negotiate an amendment of the existing agreement with Montgomery/Watson/Ellington/Balloffet Joint Venture.

Mary Williams, Project Manager, Utilities Engineering Bureau, gave a presentation using electronic slides. She discussed the scope of work and the schedule for completion of Phase 2 of the Water Supply Master Plan Project. Ms. Williams noted that the overall cost of Phase 2 was estimated to be in the range of \$1.5 million to \$1.75 million and it is expected to be completed in 24 months.

Ms. Williams presented two options for contracting the work for Phase 2. Option A would select a new consultant and Option B would amend the existing contract with Montgomery Watson/Ellington/Balloffet Joint Venture. Ms. Williams discussed the advantages and disadvantages of each option. She noted that the Selection Committee for this project expressed their desire to complete the project expeditiously. She noted that staff was pleased with the performance of the existing contractor for Phase 1.

Commissioner Normandy moved to adopt Option B to amend the existing agreement with Montgomery Watson/Ellington/Balloffet Joint Venture.

President Makras indicated that the proposed price was too costly for the work outlined. He suggested lowering the price range to start from \$1 million.

Art Jensen, General Manager of the Bay Area Water Users Association, stressed the importance of developing alternative ways of meeting future supply reliability targets for the PUC and its suburban customers. He stated that the tasks for the project were appropriately defined and the price could be negotiated.

Commissioner Normandy amended his motion to amend the price to a range of \$1.0 million - \$1.75 million and directed staff to return to the Commission for award of the contract. President Makras directed staff to provide to the Commission the actual manpower assigned to the project and how this project's workload affects the other projects of the contractor.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Option B as amended; passed (4-0) unanimously.

Resolution No. 97-0254: Approving the scope of work and work plan for Phase 2: Prepare Water Supply Master Plan; and authorizing the Manager of System Planning and Regulatory Compliance, to negotiate an amendment of the existing agreement with Montgomery/Watson/Ellington/Balloffet Joint Venture to provide professional services in support of Phase 2 at a cost in the range of \$1.0 to \$1.75 million over two years.

## LEASES AND PERMITS

11. Approving the terms and conditions of that certain lease with Tom Koulouris, as Lessee, for the purpose of operating a gasoline station and automotive repair and services related thereto on property adjacent to 998 El Camino Real in South San Francisco in San Mateo County, commencing retroactive to May 1, 1997 on a month-to-month basis.

Moved by Commissioner Cook, seconded by Commissioner Caen, to continue Item 11 to the next regular Commission meeting scheduled on September 23, 1997, passed (4-0) unanimously.

## CONSTRUCTION CONTRACTS

12. Approving the plans and specifications for Bayshore Boulevard Sewer Replacement and Catchbasin Relocation, 1392N.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 12, passed (4-0) unanimously.

Resolution No. 97-0255: Approving the plans and specifications for Bayshore Boulevard Sewer Replacement and Catchbasin Relocation, 1392N, to replace sewers on Bayshore Boulevard from Jerrold Avenue to Oakdale Avenue; and authorizing the Department of Public Works to utilize work order monies to fund the sewer work to be incorporated into the DPW street and traffic work contract.

13. Rejecting the bids received for Public Utilities Commission Contract Specification No. 1223W, Islais Creek Public Access Improvements; and authorizing readvertisement for bids.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 13, passed (4-0) unanimously.

Resolution No. 97-0256: Rejecting the bids received for Public Utilities Commission Contract Specification No. 1223W, Islais Creek Public Access Improvements; and authorizing readvertisement for bids.

14. Accepting the work performed under Utilities Engineering Bureau Contract No. 1023N as satisfactorily completed.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 14; passed (4-0) unanimously.

Resolution No. 97-0257: Accepting the work performed under Utilities Engineering Bureau Contract No. 1023N as satisfactorily completed; approving Contract Modification No. 1 in the credit amount of \$73,588. 80; approving an extension of 74 days for completion; and approving final payment of 5% Retention for \$16,976.93 for a total contract payment of \$339,538.55 to the Contractor, Ramirez Corporation.



## PROFESSIONAL SERVICE CONTRACTS

15. Authorizing the Manager of the System Planning and Regulatory Compliance Bureau to negotiate and execute a Professional Services Agreement to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project with the Montgomery Watson/AGS, Inc./Structus Joint Venture for a contract amount not to exceed \$5,640,000; authorizing the transfer of funds in the amount of \$1,653,130 from Sunol Fast Track Project to Sunol Valley Water Treatment Improvement Project; and directing staff to utilize the cost estimate information received from other proposers to negotiate the most appropriate Scope of Work and contract cost.

Steven Ritchie, Manager, System Planning and Regulatory Compliance, summarized the issues raised by the Commission at the previous meeting. Those issues relate to the proposed location of the reservoir sitting on a fault line, weak scheduling of the top bidder with respect to PUC priorities, and that two of the proposers did not provide hourly rates on their proposals.

President Makras commented that we should not build the reservoir on the proposed site due to its potential flaws. He stated that if an alternative site would cost more he would like to consider quantifying the cost versus the benefit of that alternative. He asked about the potential savings if the reservoir were to be located away from the fault line versus the proposed site. He indicated that the proposed site may incur more costs due to additional construction that may be required because of the site's proximity to the fault. Patricia Mallet, Project Manager, responded that Phase 2A of the project was intended to ascertain the cost to engineer and construct a reservoir in a particular location.

Commissioner Normandy stated that AGS Inc. requested an opportunity to give a presentation to the Commission. To establish a level playing field, he suggested that the Commission set up an interview of all of the four bidders.

Commissioner Normandy moved to go ahead with Phase 1 based on the understanding that Phase 1 is an isolated module of the project and continue with the interview process so that the Commission would be better informed before they decide how to proceed with Phase 2. He stated that going ahead with Phase 1 would demonstrate PUC's good faith effort to comply with the Department of Health Services compliance order. Commissioner Cook seconded.

Commissioner Caen asked if the Commission were to reject the bids whether it would require going through the whole process of issuing another Request for Proposal. Mr. Moran responded that staff should reassess the terms of the RFP before they can reissue the RFP and that takes time.



Commissioner Caen indicated that she was inclined to go forward with an interview process for Phases 1 and 2. Commissioner Normandy and Commissioner Cook withdrew their motion.

Commissioner Caen moved to continue this matter to the next regular meeting and conduct an interview of the four bidders. President Makras indicated that the Commission would then have the full authority to act on that date on Phase 1 or 2 or both and may reserve the right to reject the award. Mr. Berliner advised that the contract cannot be divided since it went out on the RFP as one job. The Commission could decide to move ahead with Phase 1 but Phase 2 should be put out for rebid.

Commissioner Normandy recommended continuance of the item to another meeting when the Commission could conduct the interview of the four bidders without the Commission taking any action. He suggested that the item be scheduled at the next regular Commission meeting for action.

President Makras moved to continue the matter to the next meeting and schedule another day to interview the four bidders. He stated that the meeting will be conducted in a way that each bidder would be allowed to give a 10-minute presentation and a 30-minute question and answer portion. The order of presentation would be determined by pulling names out of a hat. After the question and answer portion, each bidder would be allowed to give a 5-minute closing statement in the reverse fashion so that the last presenter would give the closing statement first. Commissioner Normandy seconded the motion.

President Makras and Commissioner Normandy rescinded their motion to accommodate public comments.

Gary Wong, Contract Compliance Officer, commented that HRC would be interested to know the evaluation criteria for the Commission's decision to reject the award and the basis of the selection process. The Commission was unanimous in their comment that the interview was for informational purposes and that the Commission did not have full information at this time to take a position on whether to award or reject the award.

Art Jensen, General Manager of the Bay Area Water Users Association, suggested a presentation by staff to resolve scope issues as the scope seemed unsettled. Commissioner Normandy stated that there were no problems with the scope. He noted that the Commission would like to ask the bidders about their capabilities concerning the information already provided and their abilities to analyze the needs of the Public Utilities Commission.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to continue Item 15 to the next regular meeting of the Commission scheduled on September 23, 1997; passed (4-0) unanimously.

16. Authorizing an amendment to the professional services agreement with Dames and Moore. (Continued from the meeting of August 26, 1997).

Gary Wong, Contract Compliance Officer, stated that the MBE/WBE goals would be amended increasing the MBE/WBE from 28 to 30% MBE and 8% to 10% WBE.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0258: Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute Amendment No. 6 to the professional services agreement with Dames and Moore for engineering and construction services required for the Priest Reservoir Bypass Project increasing the contract amount by an amount not to exceed \$600,000 and extending the term of the contract through December 31, 1999.

### **CLOSED SESSION**

17. Public Comments on matters to be discussed in Closed Session.

There were none.

18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to assert the attorney-client privilege, passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:55 p.m. to 7:25 p.m. to discuss the following matters:

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

No action was taken.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Juanita Rieloff v. CCSF, Superior Court No. 975-694.

Moved by Commissioner Caen, seconded by Commissioner Cook, to approve a settlement for Item 20; passed (4-0) unanimously.

Resolution No. 97-0259: Approving a settlement in the case of Juanita Rieloff v. CCSF, Superior Court No. 975-694.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Devitt vs. CCSF, City of Burlingame, et.al., San Mateo Superior Court No. 398-201.

No action was taken.

22. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcels 22, 23, and 24 of San Mateo County lands, former Muni right of way in Burlingame California.

Parties Negotiating: CCSF - Dowd/Sullivan  
City of Burlingame

Under Negotiation: Price and Terms

No action was taken.

23. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County.

Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock

Under Negotiation: Price and Terms

No action was taken.

24. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Sewer and public utility easement on Octavia Street Between Post Street and Geary Boulevard  
Parties Negotiating: CCSF - Dowd/Sullivan  
Northern California Presbyterian Homes and Services  
Under Negotiation: Price and Terms

No action was taken.

25. Public Employee Performance Evaluation - Pursuant to Government Code Section No. 54957:

Position: General Manager of Public Utilities

President Makras read a statement reaffirming the appointment of Mr. Anson B. Moran as General Manager of Public Utilities.

Note: Commissioner Caen was excused at 7:14 P.M.

26. Announcement following Closed Session.

President Makras announced the actions taken by the Commission during the Closed Session.

27. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 7:27 P.M.

Lorna T. Navarro  
Acting Secretary

# AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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## REGULAR MEETING

September 23, 1997  
2:00 P.M.

Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.



## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. FY 98/99 Budget - 5 mins. (Moran)
  - b. Purchase of 525 Golden Gate Avenue - 10 mins. (Nelson)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.



## **REGULAR BUSINESS**

9. Approving the definitions of contract types and contract decision points to be used for capital projects, programs, ongoing operations and maintenance of the Public Utilities Commission. - 10 mins. (Cockburn)
10. Discussion regarding contractor selection procedures. - 10 mins. (Cockburn)
11. Authorizing the Manager of Water Department's City Distribution Division to institute a landscaping plan for the Merced Manor Reservoir Grounds. (Badgley)
12. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission relating to the emergency condition at the Castlewood water system; and requesting the Board of Supervisors' approval for expenditure of funds to perform emergency work. (Cockburn)
13. Authorizing the General Manager of Public Utilities to enter into an agreement with the United States Environmental Protection Agency to use the Water Alliances for Voluntary Water Efficiency (WAVE) Program to promote water efficiency within San Francisco hotels. (Mullane)

## **LEASES AND PERMITS**

14. Approving the terms and conditions of the lease agreement with Tom Koulouris, as Lessee, for the purpose of operating a gasoline station and automotive repair and services on property adjacent to 998 El Camino Real in South San Francisco in San Mateo County, commencing retroactive to May 1, 1997 on a month-to-month basis. (Continued from the meeting of September 9, 1997). (Dowd)
15. Authorizing the General Manager of Public Utilities to execute a lease with Artichoke Joes for approximately 1.54 acres of Public Utilities Commission land located on a portion of Parcel 11 of San Mateo County lands, former Muni right of way in San Bruno, California at a monthly rental rate of \$12,500. (Dowd)

## **CONSTRUCTION CONTRACTS**

### **Advertise**

16. Approving the final plans and specifications for Contract Specification No. 1466N, Hunter's Point Pump Station Demolition, and authorizing the Utilities Engineering Bureau to advertise for proposals. (Cockburn)
17. Approving the final plans and specifications for Contract Specification No. 1488N, 24th Avenue/California Street Sewer Replacement, and authorizing the Utilities Engineering Bureau to advertise for proposals. (Cockburn)

### **Close**

18. Accepting the work performed for Utilities Engineering Bureau Contract Specification No. 1255N, San Jose Avenue Sewer Replacement; approving contract modification in the credit amount of \$14,135.00; and approving final payment of 5% contract retention in the amount of \$5,099.00 to the contractor, Uniacke Construction, Inc. (Cockburn)

## **PROFESSIONAL SERVICE CONTRACTS**

### **Amend**

19. Authorizing the General Manager of Public Utilities to continue an existing relationship with Bookman Edmonston Engineering, Inc. to provide engineering services to Hetch Hetchy Water and Power, extending the term of the contract to September 30, 1998 and increasing the contract amount by \$70,000 for a contract total not to exceed \$1,394,500. (Klein)
20. Authorizing the General Manager of Public Utilities to continue an existing relationship with the Call Company, to provide "as-needed" consulting services to Hetch Hetchy Water and Power, extending the term of the contract to September 30, 1999 and increasing the contract amount by \$50,000 for a contract total not to exceed \$904,000. (Klein)

21. Authorizing the General Manager of Public Utilities to continue an existing relationship with Gruenich Resource Advocates to provide as-needed legal and regulatory services to Hetch Hetchy Water and Power, increasing the contract amount by \$500,000 for a contract total not to exceed \$1,430,000. (Klein)

## CLOSED SESSION

22. Public Comments on matters to be discussed in Closed Session.
23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

### THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Milstein)

Existing Litigation: Hefter v. County of San Mateo, et.al., Alameda Superior Court No. 786568.

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Dowd/Sullivan/Gutierrez)

Existing Litigation: Devitt vs. CCSF, City of Burlingame, et.al., San Mateo Superior Court No. 398-201.

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcels 22, 23, and 24 of San Mateo County lands, former Muni right of way in Burlingame California.

Parties Negotiating: CCSF - Dowd/Sullivan  
City of Burlingame

Under Negotiation: Price and Terms

27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Portion of Parcel 65 in Sunol, Alameda County.  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock  
Under Negotiation: Price and Terms
28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)
- Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.
29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)
- Existing Litigation: 1) Electric Restructuring Hearings before the California Public  
Utilities Commission.
- 2) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

30. Announcement following Closed Session.
31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

September 23, 1997  
2:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

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### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 2:03 P.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Robert K. Werbe.

3. Approval of Minutes

There were none submitted.

4. Communications

#### MTBE Levels Monitoring

Commissioner Caen asked about how long staff would be monitoring MTBE (methyl tert-butyl ether) levels. (MTBE stands for the chemical methyl tert-butyl ether). Andrew De Graca, Manager, Bureau of Water Quality, explained that the Safe Drinking Water Act was recently changed from requiring regulation of 25 new contaminants every three years to making a regulatory determination for at least five contaminants. He stated that staff is monitoring MTBE as one of the contaminants that the Environmental Protection Agency is looking at for final regulatory determination.

Commissioner Makras asked what the operational impact would be if PUC were to regulate MTBE. Mr. De Graca responded that he was not concerned about surface water but he would be concerned with groundwater. He stated that if the City starts looking at groundwater services, staff has to do a lot of monitoring for possible high levels of contamination resulting from leaking gas stations located close to the proposed wells. He said this information is unknown at this time. President Makras stated that information about areas surrounding removed gas tanks could be obtained free and staff should check how they could obtain these reports. Mr. De Graca stated that he would check on it; however, monitoring would still have to be done as the State government requires monitoring whenever a new water resource is utilized.

## 5. Introduction of Old/Ongoing Business by Commissioners

### Pending Agenda Items

Commissioner Normandy requested that the following matters be scheduled on the agenda as soon as possible: the policy on restricting access to Public Utilities Commission closed session tape recordings; the lease agreement with California Book Store; and the request of the San Francisco Police Department concerning the use of the Skyline quarry for bomb disposal purposes.

### Sunol Valley Water Treatment Plant Improvement Project

President Makras directed staff to send a letter to the proposers for the Sunol Valley Water Treatment Plant Improvement Project to formally invite them to give presentations before the PUC on September 30, 1997 regarding their proposal. President Makras suggested outlining the interview process in the letter. The process will be that each bidder would be given 10-minutes for a presentation. The order of presentations would be picked out of a hat. The Commission would have a question-and-answer period and each bidder would have five minutes for a closing statement. The bidders will give the final 5-minute statement in reverse order where the first presenter would be the last to speak.

## 6. Introduction of New Business by Commissioners

- Commissioner Normandy reported that he and Commissioner Cook attended the Pay for Performance Evaluation workshop. Mr. Moran noted that the Pay for Performance program would only affect management staff represented by the Municipal Executives Association. The Commission would be responsible for reviewing the performance of the General Manager of Public Utilities. The General Manager would in turn be responsible for evaluating his direct reports.
- Commissioner Cook reported that he attended a workshop for Commissioners regarding Parliamentary Procedures.
- Commissioner Normandy directed staff to respond to the letter from Dell's Ivy Acres Nursery in Sunol requesting an explanation regarding water charges.
- Commissioner Caen referred to a news article regarding housing facilities in Moccasin that she thought was misleading. She suggested that any type of contact with the media should be handled by the Public Affairs Manager and should be reported to the Commission and the Mayor's Office. Commissioner Normandy likewise expressed concern about another article that contained inaccurate information. He suggested establishing a policy about interacting

with members of the press and making sure that proper information is disseminated to the media. Mr. Moran stated that staff will review this matter and recommend procedures to monitor media contact. President Makras directed staff to bring this item back within the next two meetings.

7. Report of the General Manager

a. FY 98/99 Budget

Mr. Moran reported that staff would be preparing the FY 98-99 budget assuming a modest level of inflation and at/or below current levels of expenditures.

Commissioner Normandy pointed out that staff should make sure that PUC would not be obligated to transfer any surplus funds to the general fund next year. He asked about the possibility of requesting the Mayor's Office to refund the PUC for this fiscal year's general fund contribution. Mr. Moran stated that staff would incorporate this option as part of the budget consideration. President Makras suggested looking at efficiencies that can be achieved in this budget cycle. He also requested including in the budget proposal a budget based on zero rate increase and another based on an inflationary increase.

b. Purchase of 525 Golden Gate Avenue

Steve Nelson, Director of Administrative Services, reported that the City had negotiated an option to purchase 525 Golden Gate Avenue for a dollar. Mr. Nelson stated that the Mayor had instructed that 525 Golden Gate would be home to City departments currently at 875 Stevenson Street, 633 Folsom Street, and 1390 Market Street. With this plan, he said there will not be enough space for the Public Utilities Commission. Mr. Nelson stated that the Mayor's office also indicated that PUC could not participate in the purchase due to financing problems. It is anticipated that the City would occupy the building by the year 2000, or approximately 18 months after City Hall is reopened.

President Makras asserted that PUC would like to pursue the purchase of 525 Golden Gate expeditiously to consolidate the Public Utilities Commission offices. President Makras handed Mr. Nelson one dollar (\$1.00) for the purchase price. Commissioner Normandy stated that it would not meet the Commission's needs if we were to participate only partially.

8. Public Comments

Arthur M. Jensen, General Manager of the Bay Area Water User's Association, expressed his appreciation for PUC staff's assistance during BAWUA's annual tour from Sunol to O'Shaughnessy on September 11 and 12, 1997.

The following individuals commented in support of maintaining and developing the Reis Tract into a "Visitation Valley Greenway" to create fruit and vegetable gardens, a Farmers Market Plaza, recreation areas and pathways: Ann Sieman, Friends of the Visitation Valley Parks; Fran Martin, sculptor; Bruce Williams of Trust for Public Lands; and Brian Leis, San Francisco League of Urban Gardeners.

## **REGULAR BUSINESS**

9. Approving the definitions of contract types and contract decision points to be used for capital projects, programs, ongoing operations and maintenance of the Public Utilities Commission.

Robert T. Cockburn, Manager of the Utilities Engineering Bureau, gave a presentation using an overhead projector. He discussed the types of professional services contracts and the consultant selection process. He spoke about the different decision points in consultant selection starting from the budget review process, authorization to advertise or request proposals, approval to award or negotiate, approval to modify; and acceptance of the project or approval for final payment.

President Makras directed staff to incorporate the goals of the Commission to promote competitive bidding and encourage more contractors' participation in PUC contracts. He noted that for phased-type contracts he would like staff to present not just phases of the contract but also the overall picture of the project, the annual costs, and estimated total costs at time of completion. President Makras stated that he would like to put some definite expiration dates on long-term contracts so that all contracts will be rebid under any circumstances upon expiration. Mr. Moran responded that he concurs to have a maximum time for any contract to continue without rebidding. However, he said the term of each contract varies based on the nature of the contract. Commissioner Cook expressed his support in setting term limits for professional contracts. Commissioner Normandy also expressed his support in setting term limits but without undermining the rationale for continuing the services of a contractor because of capability, availability, rates and track record. He was concerned that a contractor might be phased out because of term limits.

Item 9 was continued to the next regular meeting scheduled on October 14, 1997 to incorporate the comments made by the Commission.

10. Discussion regarding contractor selection procedures.

Mr. Cockburn showed a flow diagram outlining the process for selecting consultants.

Staff recommended conducting a workshop for the Commission to discuss other options regarding contractor selection procedures. The Commission agreed to hold a workshop at a date not specified.

11. Authorizing the Manager of Water Department's City Distribution Division to institute a landscaping plan for the Merced Manor Reservoir Grounds.

Commissioner Caen recommended continuance of the item. She stated that she needed more information to be able to decide that landscape conversion would in fact conserve water. She asked what the costs and the annual water savings would be to leave the existing planting and install water efficient irrigation systems.

Commissioner Normandy suggested revisiting the Commission's objectives concerning water conservation as he noted that a blanket policy for landscaping did not seem logical for all PUC properties. He recommended that staff evaluate the needs of each property, establish goals suitable for that particular property, and determine the benefits of meeting those goals. President Makras pointed out that it was too expensive to continue with the proposed relandscaping plans. He stated that he did not feel a need to continue with any further study of this and he directed staff to look at how the existing landscape could be managed prudently using less water. The rest of the Commission concurred. Mr. Moran mentioned the need to rehire gardeners to maintain the existing landscape. President Makras directed staff to request positions through the next budget review process.

Item 11 was continued indefinitely. Staff will draft a policy statement addressing the objectives of the Commission not to invest in any landscaping conversion but apply the options presented by staff for new landscaping opportunities.

12. Ratifying the Declaration of Emergency relating to the emergency condition at the Castlewood water system.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 12, passed (4-0) unanimously.

Resolution No. 97-0260: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission relating to the emergency condition at the Castlewood water system; and requesting the Board of Supervisors' approval for expenditure of funds to perform emergency work.



13. Authorizing an agreement with the United States Environmental Protection Agency to use the WAVE Program.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 13, passed (4-0) unanimously.

Resolution No. 97-0261: Authorizing the General Manager of Public Utilities to enter into an agreement with the United States Environmental Protection Agency to use the Water Alliances for Voluntary Water Efficiency (WAVE) Program to promote water efficiency within San Francisco hotels.

## LEASES AND PERMITS

14. Approving the terms and conditions of the lease agreement with Tom Koulouris, as Lessee, for the purpose of operating a gasoline station and automotive repair and services on property adjacent to 998 El Camino Real in South San Francisco in San Mateo County, commencing retroactive to May 1, 1997 on a month-to-month basis. (Continued from the meeting of September 9, 1997).

Commissioner Caen suggested renegotiating the terms of the lease from \$5,000 a month to \$6,000 a month.

President Makras wanted to see the market value of the property so that staff could negotiate a better deal.

Bruce Lymburn stated that he contacted a couple of oil companies to see if the City could get more than \$5,000 a month and they were not successful. He stated that the subject gas station needed improvements and with an 18-month lease nobody would want to invest to improve the site. Gary Dowd, Manager, Bureau of Commercial Land Management, commented on the possible impact of the BART Extension to the airport on the property.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to continue Item 14 for 30 days, passed (4-0) unanimously.

15. Authorizing a lease with Artichoke Joes.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 15, passed (4-0) unanimously.

Resolution No. 97-0262: Authorizing the General Manager of Public Utilities to execute a lease with Artichoke Joes for approximately 1.54 acres of Public Utilities Commission land located on a portion of Parcel 11 of San Mateo County lands, former Muni right of way in San Bruno, California at a monthly rental rate of \$12,500.

## CONSTRUCTION CONTRACTS

16. Authorizing bid call for Contract Specification No. 1466N, Hunter's Point Pump Station Demolition.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 16, passed (4-0) unanimously.

Resolution No. 97-0263: Approving the final plans and specifications for Contract Specification No. 1466N, Hunter's Point Pump Station Demolition, and authorizing the Utilities Engineering Bureau to advertise for proposals.

17. Authorizing bid call for Contract Specification No. 1488N, 24th Avenue/California Street Sewer Replacement.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 17, passed (4-0) unanimously.

Resolution No. 97-0264: Approving the final plans and specifications for Contract Specification No. 1488N, 24th Avenue/California Street Sewer Replacement, and authorizing the Utilities Engineering Bureau to advertise for proposals.



18. Accepting the work performed for Utilities Engineering Bureau Contract Specification No. 1255N, San Jose Avenue Sewer Replacement.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 18, passed (4-0) unanimously.

Resolution No. 97-0265: Accepting the work performed for Utilities Engineering Bureau Contract Specification No. 1255N, San Jose Avenue Sewer Replacement; approving contract modification in the credit amount of \$14,135.00; and approving final payment of 5% contract retention in the amount of \$5,099.00 to the contractor, Uniacke Construction, Inc.

## PROFESSIONAL SERVICE CONTRACTS

19. Authorizing the General Manager of Public Utilities to continue an existing relationship with Bookman Edmonston Engineering, Inc. to provide engineering services to Hetch Hetchy Water and Power, extending the term of the contract to September 30, 1998 and increasing the contract amount by \$70,000 for a contract total not to exceed \$1,394,500.

Item 19 was continued to October 14, 1997.

20. Authorizing the General Manager of Public Utilities to continue an existing relationship with the Call Company, to provide "as-needed" consulting services to Hetch Hetchy Water and Power, extending the term of the contract to September 30, 1999 and increasing the contract amount by \$50,000 for a contract total not to exceed \$904,000.

Item 20 was continued to October 14, 1997.

21. Authorizing the General Manager of Public Utilities to continue an existing relationship with Gruenich Resource Advocates to provide as-needed legal and regulatory services to Hetch Hetchy Water and Power, increasing the contract amount by \$500,000 for a contract total not to exceed \$1,430,000.

Item 21 was continued to October 14, 1997.

## CLOSED SESSION

22. Public Comments on matters to be discussed in Closed Session.

There were none.

23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege, passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 4:08 p.m. to 6:20 p.m. to discuss the following matters:

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Milstein)

Existing Litigation: Hefter v. County of San Mateo, et.al., Alameda Superior Court No. 786568.

No action was taken.

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Dowd/Sullivan/Gutierrez)

Existing Litigation: Devitt vs. CCSF, City of Burlingame, et.al., San Mateo Superior Court No. 398-201.

No action was taken.

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcels 22, 23, and 24 of San Mateo County lands, former Muni right of way in Burlingame California.

Parties Negotiating: CCSF - Dowd/Sullivan  
City of Burlingame

Under Negotiation: Price and Terms

No action was taken.

27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County.

Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock

Under Negotiation: Price and Terms

No action was taken.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

No action taken.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: 1) Electric Restructuring Hearings before the California Public  
Utilities Commission.

2) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

No action was taken.

30. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the  
Closed Session.

Commissioner Normandy was excused at 5:00 P.M.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 6:20 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### SPECIAL MEETING

September 30, 1997  
3:00 P.M.

Room 402  
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

SEP 19 1997

SAN FRANCISCO  
PUBLIC LIBRARY

### COMMISSIONERS

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E. Dennis Normandy  
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Water Department  
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Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

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The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

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### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

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All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.



## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Consideration of recommendation for award of contract regarding the Request for Proposal to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project.

## ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### SPECIAL MEETING

September 30, 1997

3:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

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### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 3:00 P.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Commissioner Robert K. Werbe was excused.

3. Consideration of recommendation for award of contract regarding the Request for Proposal to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project.

President Makras expressed his appreciation to the consulting firms for coming to give a presentation to the Commission. President Makras noted that the Commission called the meeting to obtain additional information from each bidder. He said the Commission would not be taking any action on the matter today.

Steve Leonard, Program Manager, Hetch Hetchy Water Treatment Improvement Project, presented a history and description of the project and discussed the consultant selection process employed for the project.

The minutes follow the order in which the firms gave their presentation. The order of presentation was decided by the President picking names out of a hat.

Commissioner Normandy asked the following questions to the bidders: how many ozone water treatment plants were completed by their firm; how many were in the 100 mgd range; how many were completed within budget; mentoring program; and direct overhead rates.

- 1) Montgomery Watson/AGS Inc./Structus, Inc. Joint Venture.

Mr. Lyndel Melton, Vice President of Montgomery Watson and Project Manager for the Joint Venture, gave his presentation using electronic media. He discussed the organizational structure of the joint venture.

Ms. Carol Tate addressed the reservoir siting issue. Mr. Russ Wagner, Principal Hydrologist at Montgomery Watson, exhibited a photograph showing land shifting on the proposed reservoir site. Ms. Tate noted that their proposal recommended looking at a new treatment plant site near a reliable geological zone in addition to a reliable reservoir site.

## Schedule

Mr. Melton stated that they would take a 100-day approach to complete the project to show their responsiveness to PUC compliance schedules with the Department of Health Services.

## Ozone Design Experience/Project Management Experience

Ms. Tate stated that she personally was involved with the construction of four or five ozone treatment plants. Two of these plants were in the 100 mgd range. The Las Vegas and the Los Angeles projects were being completed ahead of schedule and under budget.

Mr. Welton talked about his project management experience in the design of the Contra Costa Water District Treatment Plant, the City of Fairfield Water Treatment Plant, and the Castroville Sea Water Intrusion Project. He said these projects were all completed within the budget.

## Overhead Rate

Mr. Melton stated that their overhead rate was 1.85%.

## MBE/WBE Participation Goals

Mr. Melton said that Montgomery Watson's MBE/WBE participation was 60%. They were pursuing other ways to expand the scope of work to provide more opportunities for minority firms to participate in the project. They have committed five people for the project office dedicated to work in San Francisco.

- 2) Black & Veatch/OLMM Structural Design/Pete O. Lapid & Associates, Inc. Joint Venture.

Mr. Amy Shanker, Partner in Charge, Black & Veatch Pacific Northwest Region, discussed the organizational structure of the joint venture. Mr. Jay Hesby, the Project Manager, talked about the strategies they plan to implement for the project; such as, to stay within the plant's footprint to avoid the need for an Environmental Impact Report, to look at other locations to expand the treatment plant capacity beyond 160 mgd, and to use technical plate settlers.

## MBE/WBE Participation Goals

Regarding MBE/WBE participation goals, Mr. Hesby stated that their firm will exceed the goal by 1%.

## Ozone Design/Project Management Experience

Mr. Shanker stated that Black & Veatch has completed two 300 mgd water treatment facilities in Vancouver and they are currently engaged in a 600 mgd predesign of a water treatment plant in Las Vegas.

Mr. Hesby stated that Black & Veatch designed the ozone plants for the East Bay Municipal Utility District in California and currently working on the design of two water treatment plants in Milwaukee (105 mgd and 285 mgd capacity plants).

Mr. Hesby reported that he completed the Modesto Irrigation District project within the schedule and within the budget with no litigation. The Las Vegas Water Treatment Project was completed ahead of schedule, under budget and \$10 million refunded to the client. He just completed the \$125 million improvement to the Southern Nevada Water System Improvement Project. His current assignment is the Las Vegas Upper Alfred Merritt Smith Water Treatment Plant.

Mr. Ron Henderson, talked about the advantages of using plate settlers. He said building within the footprint of the plant would not require obtaining an EIR thus speeding up the process of compliance with the Department of Health Services.

Mr. Hesby indicated that their firm could accelerate the schedule two years before any other project that would require an Environmental Impact Report.

Mr. Hesby brought up the issue that the balancing reservoir would fall under the jurisdiction of the Division of Safety of Dams (DOSD). He said that DOSD would not permit an open cut reservoir at the proposed location due to concerns about the stability of the site and its proximity to the fault.

## Overhead Rate

Mr. Shanker stated that their suggested overhead rate was 1.79%.

### 3) CH2M Hill/Carollo Engineers/Olivia Chen, Joint Venture

Ted Way, Project Manager, discussed the schedule, overall costs and their firm's approach for the project. Mr. Way stated that they proposed to complete the project in 15 months from the date of "notice to proceed" saving nine months of schedule and reducing construction costs.



## MBE/WBE Participation Goals

He stated that their firm had the highest MBE/WBE participation, 64% of the total work.

### Project Management Experience

Mr. Way stated that CH2M Hill had worked on 13 ozone water treatment facilities, two ozone water treatment plants for East Bay Municipal Utility District (EBMUD) and retrofitted with ozone two existing plants that were right on the Hayward fault. Mr. Way stated that he was personally responsible for the two projects for EBMUD.

Tom Patten of Carollo Engineers stated that his firm completed the design and construction services for the ozone treatment plant in the City of Vallejo and worked on the design and improvement of an existing treatment plant in Las Vegas.

Olivia Chen of Olivia Chen Consulting Engineers stated that her firm was not involved in designing and operating ozone systems. Her firm, however, prepared the Standard Operating Procedures for the East Bay Municipal Utility District ozone water system plants. They also have a good background of the San Francisco water system having worked on the performance evaluation of the Sunol Valley Water Treatment Plant.

### Overhead Rate

CH2M Hill's suggested overhead rate was 1.68%.

#### 4) Metcalf & Eddy/GKO & Associates, Joint Venture

Robert Siemak, Vice President with Metcalf & Eddy, Inc. and Project Manager used an overhead projector in discussing their firm's approach of the project.

### Project Management Experience

Mr. Siemak discussed their experience with designing ozone water treatment plant facilities in the United States and worldwide. He said Metcalf designed an ozone water treatment plant in Paris. They built one facility in the 100 mgd range. Mr. Siemak has project management experience in the 220 mgd expansion of the Metropolitan Water District Mills Water Filtration Treatment Plant.

Mr. Siemak stated that Metcalf's MBE/WBE participation goal was 63% and suggested overhead rate was 1.67%.

Anson B. Moran, General Manager of Public Utilities, commented that the information presented by the bidders were consistent with staff's analysis and the evaluation scores. Mr. Moran noted that the members of the selection panel came from different fields of expertise and contributed their different views to the process. Mr. Moran stated that staff intended to review the overhead rates at a later time.

President Makras asked staff to elaborate on the issue concerning the Division of Safety of Dams not allowing us to proceed with the proposed site. Mr. Leonard responded that staff can dig the site to quantify the risk and determine how it would affect the design. He stated that the three sites identified in the proposal, Sites A, A2 and B have landslides. However, according to preliminary information, Site B was the best site operationally.

President Makras asked the difference in costs if we kept away from sensitive spots. He asked whether this phase of the project would identify the most logical site to build and the cost related to building on that site. He suggested assessing the risks of building on the fault line and the savings in construction costs if we were to use another site.

Commissioner Normandy commented that the criteria he would like to look for in selecting a consultant would be the experience and track record of the firm, the price, the kind of perspective and commitment the firm is making; the cutting edge of technology they offer, and the ability to reduce cost for the City.

Commissioner Cook stated that he would like to consider a joint venture of all of the four firms so that PUC could benefit from all of their expertise.

President Makras commended staff for doing a good job as he did not find any flaws in the evaluation and selection process. The evaluation scores reflected that two firms were very good and two were non responsive. He indicated that he would rather pick a consultant from the two responsive bids and support staff's recommendation.

Commissioner Normandy stated that he would be inclined to accept staff's recommendation but he would prefer that the Commission reserve the right to decide which is the best rate. He requested the bidders to submit in writing the information they presented in today's meeting.



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# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

October 14, 1997  
12:00 P.M.

Room 402  
1155 Market Street, Fourth Floor

#### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

#### DOCUMENTS DEPT.

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#### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

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## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Sunol Temple Kickoff Event - 5 mins.
  - b. Water Quality Advisories - 5 mins.
  - c. Budget Preparation
  - d. Rescheduling November 11, 1997 Meeting

8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

- a. Jeff Mori, Director, Mayor's Office of Children, Youth and Their Families - 10 mins.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## REGULAR BUSINESS

9. Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$1,828,000 to fund costs resulting from the December 11, 1995, Seacliff Emergency. (Carmichael)
10. Authorizing the General Manager of Public Utilities to submit an amended proposal to accept and expend \$20,000 in grant funding from the Department of Pesticide Regulation for Fiscal Year 1998-99. (Medbery)
11. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Utilities Engineering Bureau Contract No. 1522N, "Woodland Avenue Emergency Sewer Replacement", and requesting the Board of Supervisors to approve expenditure of funds for the emergency work. (Cockburn)
12. Authorizing the General Manager of Public Utilities Commission to enter into a Memorandum of Understanding with the Port of San Francisco to create the Pier 98 Wetlands Enhancement Project. (Cockburn)
13. Approving the Contract Policy as proposed by the Utilities Engineering Bureau as the new guiding parameters in defining, setting criteria and developing contracting procedures for the Public Utilities Commission. (Cockburn)
14. Accepting the Year End Report on the Participation of Minority/Women-Owned Enterprises in construction contracts awarded by the Public Utilities Commission for Fiscal Year 1996-1997. (Cockburn)
15. Report on the availability of the Lake Merced Comprehensive Management Plan for public review and comment. 10 mins. (Ritchie)



## LEASES AND PERMITS

16. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the vacation and sale of a portion of a sewer and public utility easement by way of a quitclaim deed to NCPHS for the sum of \$385,966. (Continued from the meeting of July 22, 1997). (Dowd)
17. Authorizing the General Manager of Public Utilities to execute a permit with the San Francisco Bay Area Rapid Transit District (BART) for .765 acres of Public Utilities Commission land located on a portion of Parcel 6 of the former Muni right of way and a portion of Parcel 24 of San Mateo County lands in South San Francisco for construction and maintenance of a parking lot. (Dowd)
18. Authorizing the General Manager of Public Utilities to execute an Easement Deed to the City of Hayward to formalize their right to construct, maintain and repair City of Hayward's existing 42-inch pipeline on Public Utilities Commission easement lands located in Alameda County. (Dowd)
19. Authorizing the General Manager of Public Utilities to execute a lease with Bernard Renaud dba Stone Creations, for approximately 3,680 sq. ft. of Public Utilities Commission land located on a portion of Parcel 2012 of Bay Division Pipeline Nos. 1 and 2 right of way in Menlo Park, California for storage and placement of an office trailer at a monthly rental rate of \$3,684. (Dowd)
20. Authorizing the General Manager of Public Utilities to approve an Amendment to Lease for office space used by the Systems Planning & Regulatory Compliance Bureau at 1212 Market Street. (Dowd)

## CONSTRUCTION CONTRACTS

### Advertise

21. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2219, Pulgas Pump Station Valves and authorizing advertisement for proposals. (Cockburn)
22. Approving the final plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-114, Church/Folsom/Harper Streets Sewer Replacement; and authorizing advertisement for proposals. (Cockburn)
23. Approving the final plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-109, Shotwell/Moultrie/26th Streets Sewer Replacement; and authorizing advertisement for proposals. (Cockburn)
24. Rejecting the bids submitted for Contract Specification No. 7212E, North Point Water Pollution Control Plant - Repair of Outfall Diffusers; and authorizing readvertisement for proposals. (Cockburn)

### Close

25. Accepting work performed for Utilities Engineering Bureau Contract Specification No. 1260N, "Transfer Station for Vector Trucks" as satisfactorily complete; and approving final payment of 5% retention for \$5,478.85 to Clarke Construction Company. (Cockburn)

## PROFESSIONAL SERVICE CONTRACTS

### Award

26. Authorizing the Manager of the System Planning and Regulatory Compliance Bureau to negotiate and execute a Professional Services Agreement to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project with the Montgomery Watson/AGS, Inc./Structus Joint Venture for a contract amount not to exceed \$5,640,000; authorizing the transfer of funds in the amount of \$1,653,130 from Sunol Fast Track Project to Sunol Valley Water Treatment Improvement Project; and directing staff to utilize the cost estimate information received from other proposers to negotiate the most appropriate Scope of Work and contract cost. (Continued from the meeting of September 30, 1997.) (Ritchie)

### Amend

27. Authorizing the Manager of System Planning and Regulatory Compliance to amend the contract with Montgomery Watson/Ellington/Balloffet Joint Venture to prepare the Water Supply Master Plan extending the term of the contract for 45 days at no cost to accommodate negotiations for Phase 2 services. (Ritchie)
28. Authorizing the General Manager of Public Utilities to continue an existing relationship with Bookman Edmonston Engineering, Inc. to provide engineering services to Hetch Hetchy Water and Power, extending the term of the contract to September 30, 1998 and increasing the contract amount by \$70,000 for a contract total not to exceed \$1,394,500. (Continued from the meeting of September 23, 1997). (Klein)
29. Authorizing the General Manager of Public Utilities to continue an existing relationship with the Call Company, to provide "as-needed" consulting services to Hetch Hetchy Water and Power, extending the term of the contract to September 30, 1999 and increasing the contract amount by \$50,000 for a contract total not to exceed \$904,000. (Continued from the meeting of September 23, 1997). (Klein)
30. Authorizing the General Manager of Public Utilities to continue an existing relationship with Gruenich Resource Advocates to provide as-needed legal and regulatory services to Hetch Hetchy Water and Power, increasing the contract amount by \$500,000 for a contract total not to exceed \$1,430,000. (Continued from the meeting of September 23, 1997). (Klein)

31. Authorizing the General Manager of Public Utilities to accept the final Conceptual Engineering Report for the Alameda Creek Fishery Water Recapture Facility prepared by Bookman Edmonston Engineering, Inc.; extending the contract to October 31, 1997; increasing the final contract amount by \$74,000 and approving the transfer of funds within the Water Supply & Treatment Division's Operating Fund. (Davis)
32. Authorizing the General Manager of Public Utilities, to execute Amendment No. 6 to the professional services agreement with EDAW, Inc. increasing the contract amount by \$255,570 and extending the term to 84 months to finalize and implement the Comprehensive Watershed Management Plans and Policy for the San Francisco Peninsula and Alameda Creek Watershed lands. (Davis)
33. Authorizing the Manager of the Bureau of Environmental Regulation and Management to execute Amendment No. 1 to three as-needed environmental consulting contracts: Baseline Environmental, Camp Dresser McKee, and Olivia Chen/TetraTech Joint Venture, restoring the total potential expenditure under the three contracts to an amount not to exceed \$3,200,000. (Medbery)

### CLOSED SESSION

34. Public Comments on matters to be discussed in Closed Session.
35. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Mahoney/Simpson/Cockburn)

Existing Litigation: Yee v. City and County of San Francisco, San Francisco Superior Court No. 980-740

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Kolm)

Existing Litigation: CCSF v. San Joaquin Co. et.al., State Board of Equalization Nos.  
ARA 95-010 and 95-012.

38. Conference with Real Property Negotiator - Pursuant to Government Code Section  
54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County

Parties Negotiating: CCSF - Dowd/Sullivan

Lessee - Mission Valley Rock

Under Negotiation: Price and Terms

39. Conference with Real Property Negotiator - Pursuant to Government Code Section  
54956.8:

Property: Portion of Parcel 46, San Mateo County Lands, East Palo Alto

Parties Negotiating: CCSF - Dowd/Sullivan

Lessee - Douglas Broadcasting Inc.

Under Negotiation: Price and Terms

40. Conference with Real Property Negotiator - Pursuant to Government Code Section  
54956.8:

Property: Portion of Parcel 57A, San Andreas 54"PL. San Francisco

Parties Negotiating: CCSF - Dowd/Sullivan

Lessee - Mahikari of America

Under Negotiation: Price and Terms

41. Conference with Real Property Negotiator - Pursuant to Government Code Section  
54956.8:

Property: Alameda County APN 96-100-15

Parties Negotiating: Dowd

Under Negotiation: Price and Terms

42. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

43. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Milstein)

Existing Litigation: JAMS 950511074 regarding the Bay Area Water Users  
Association.

44. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources  
Control Board.

2) Electric Restructuring Hearings before the California Public  
Utilities Commission.

3) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

45. Announcement following Closed Session.

46. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



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# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

DOCUMENTS DEPT.

## REGULAR MEETING

DEC 02 1997

October 14, 1997

12:00 P.M.

Room 402

SAN FRANCISCO  
PUBLIC LIBRARY

1155 Market Street, Fourth Floor

## COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
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## DEPARTMENTS

Water Department  
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Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
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Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 12:12 P.M.

2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner E. Dennis Normandy  
Commissioner Frank L. Cook arrived at 12:13 P.M.  
Excused - Commissioner Robert K. Werbe

3. Approval of Minutes

On motion by Commissioner Caen, seconded by Commissioner Normandy, the Minutes of the Regular Meetings of September 9, 1997 and September 23, 1997 were approved (3-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

Commissioner Normandy referred to a report from CourseCo concerning their achievements for the first year of managing the Crystal Springs Golf Course and commended CourseCo for doing an outstanding job.

Commissioner Cook reported on the celebration held today to commemorate the 25th anniversary of the Clean Water Program. He presented the proclamation received by the department from Mayor Willie L. Brown, Jr., proclaiming Tuesday, October 14, 1997 as Clean Water Act Day.

7. Report of the General Manager

a. Sunol Temple Kickoff Event

Commissioner Normandy reported that an event was held on September 27, 1997, in Sunol to mark the beginning of the restoration work on the Sunol Water Temple. He expressed appreciation to staff for making the event a success.

Timothy M. Dayonot, Government & Public Affairs Manager, reported that the event was successful in achieving the goal of increasing public awareness regarding PUC activities. He stated that major newspapers and television stations ran stories about the event. Staff showed displays about the Sunol Temple.

b. Water Quality Advisories

Anson B. Moran, General Manager of Public Utilities, reported that staff had been engaged in discussions with the State Department of Health Services, local public health agencies and suburban customers regarding the type of public notification process PUC should undertake to notify the public concerning water quality. Mr. Moran stated that staff will return to the Commission to report the result of the discussions.

c. Budget Preparation

Mr. Moran referred to a memorandum he sent to the Commission listing the summary of staff's budget requests for FY 1998-99. He stated that these budget requests represent staff's preliminary thoughts and will be winnowed down later.

d. Rescheduling PUC Meetings

Mr. Moran recommended rescheduling the PUC meeting of November 11, 1997 since that day fell on a holiday (Veterans Day).

Moved by President Makras, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 97-0266: Rescheduling the Public Utilities Commission regular meeting of November 11, 1997 to November 18, 1997 at 1:00 P.M., and the starting time of the regular meeting of October 28, 1997 to 2:00 P.M.

8. Public Comments

Jeff Mori, Director of the Mayor's Office of Children, Youth, and Their Families, requested the Commission to allow the use of a PUC owned property at Visitacion Valley, Block 6202, Lots 45, 2 and 3 for the relocation of the Early Years Academy Child Care Center.

**REGULAR**

9. Requesting approval of a supplemental appropriation to fund costs relating to the Seacliff Emergency.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 9, passed (4-0) unanimously.

Resolution No. 97-0267: Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$1,828,000 to fund costs resulting from the December 11, 1995, Seacliff Emergency.

On recommendation of President Makras, Commissioner Normandy moved, seconded by Commissioner Caen, to adopt Items 10, 11, and 12 as consent items, passed (4-0) unanimously.

10. Resolution No. 97-0268: Authorizing the General Manager of Public Utilities to submit an amended proposal to accept and expend \$20,000 in grant funding from the Department of Pesticide Regulation for Fiscal Year 1998-99.
11. Resolution no. 97-0269: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Utilities Engineering Bureau Contract No. 1522N, "Woodland Avenue Emergency Sewer Replacement", and requesting the Board of Supervisors to approve expenditure of funds for the emergency work.
12. Resolution No. 97-0270: Authorizing the General Manager of Public Utilities Commission to enter into a Memorandum of Understanding with the Port of San Francisco to create the Pier 98 Wetlands Enhancement Project.

13. Approving the Contract Policy as proposed by the Utilities Engineering Bureau as the new guiding parameters in defining, setting criteria and developing contracting procedures for the Public Utilities Commission.

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 13 to the Call of the Chair, passed (4-0) unanimously. President Makras stated that he would like to review the details of the policy further and obtain Commissioner Werbe's input on the matter before the Commission takes a vote.

14. Accepting the Report on the Participation of Minority/Women-Owned Enterprises in PUC construction contracts.

Robert T. Cockburn, Manager, Utilities Engineering Bureau, provided a report on the participation of primes and subcontractors on PUC construction contracts during fiscal year 1996-97. He reported that the department achieved participation of 29% MBE and 9% WBE, compared with 42% and 8% citywide MBE/WBE goals.

Mr. Cockburn reported that in the last three years, MBE participation went from 17% to 29% and WBE participation went from 1% to 9%. Subcontractors had an overall MBE/WBE participation of 15% MBE and 4% WBE.

Commissioner Makras suggested changing the fifth whereas clause of the resolution to insert "... *it must aggressively strive to increase participation to reach City wide goals* ...".

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 14 as amended, passed (4-0) unanimously.

Resolution No. 97-0271: Accepting the Year End Report on the Participation of Minority/Women-Owned Enterprises in construction contracts awarded by the Public Utilities Commission for Fiscal Year 1996-1997.

Item 15 was put over for discussion later in the meeting.

## LEASES AND PERMITS

16. Authorizing the sale of a portion of a sewer and public utility easement to NCPHS.

President Makras commended staff for having successfully negotiated a higher purchase price for the parcel.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 14, passed (4-0) unanimously.

Resolution No. 97-0272: Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the vacation and sale of a portion of a sewer and public utility easement by way of a quitclaim deed to Northern California Presbyterian Homes and Services (NCPHS) for the sum of \$385,966.

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Cook, to adopt Items 17, 18, 19 and 20 as consent items, passed (4-0) unanimously.

17. Resolution No. 97-0273: Authorizing the General Manager of Public Utilities to execute a permit with the San Francisco Bay Area Rapid Transit District (BART) for .765 acres of Public Utilities Commission land located on a portion of Parcel 6 of the former Muni right of way and a portion of Parcel 24 of San Mateo County lands in South San Francisco for construction and maintenance of a parking lot.
18. Resolution No. 97-0274: Authorizing the General Manager of Public Utilities to execute an Easement Deed to the City of Hayward to formalize their right to construct, maintain and repair City of Hayward's existing 42-inch pipeline on Public Utilities Commission easement lands located in Alameda County.
19. Resolution No. 97-0275: Authorizing the General Manager of Public Utilities to execute a lease with Bernard Renaud dba Stone Creations, for approximately 3,680 sq. ft. of Public Utilities Commission land located on a portion of Parcel 2012 of Bay Division Pipeline Nos. 1 and 2 right of way in Menlo Park, California for storage and placement of an office trailer at an annual rental rate of \$3,684.



20. Resolution No. 97-0276: Authorizing the General Manager of Public Utilities to approve an Amendment to Lease for office space used by the Systems Planning & Regulatory Compliance Bureau at 1212 Market Street.

## **CONSTRUCTION CONTRACTS**

On recommendation by President Makras, Commissioner Normandy moved, seconded by Commissioner Caen, to adopt Items 21, 22, 23, 24 and 25; passed (4-0) unanimously.

21. Resolution No. 97-0277: Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2219, Pulgas Pump Station Valves and authorizing advertisement for proposals.
22. Resolution No. 97-0278: Approving the final plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-114, Church/Folsom/Harper Streets Sewer Replacement; and authorizing advertisement for proposals.
23. Resolution No. 97-0279: Approving the final plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-109, Shotwell/Moultrie/26th Streets Sewer Replacement; and authorizing advertisement for proposals.
24. Resolution No. 97-0280: Rejecting the bids submitted for Contract Specification No. 7212E, North Point Water Pollution Control Plant - Repair of Outfall Diffusers; and authorizing readvertisement for proposals.
25. Resolution No. 97-0281: Accepting work performed for Utilities Engineering Bureau Contract Specification No. 1260N, "Transfer Station for Vector Trucks" as satisfactorily complete; and approving final payment of 5% retention for \$5,478.85 to Clarke Construction Company.

President Makras deferred Item 26 for discussion after 1:00 p.m.



## PROFESSIONAL SERVICE CONTRACTS

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Cook, to adopt Items 27, 28, and 29; passed (4-0) unanimously. For Items 28 and 29, Commissioner Caen suggested extending the term of the contract for six months and increasing the contract amount by half of what was recommended by staff and directed staff to rebid the contract upon expiration.

27. Resolution No. 97-0283: Authorizing the Manager of System Planning and Regulatory Compliance to amend the contract with Montgomery Watson/Ellington/Balloffet Joint Venture to prepare the Water Supply Master Plan extending the term of the contract for 45 days at no cost to accommodate negotiations for Phase 2 services.
28. Resolution No. 97-0284: Authorizing the General Manager of Public Utilities to continue an existing relationship with Bookman Edmonston Engineering, Inc. to provide engineering services to Hetch Hetchy Water and Power, extending the term of the contract to March 31, 1998 and increasing the contract amount by \$35,000 for a contract total not to exceed \$1,359,500.
29. Resolution No. 97-0285: Authorizing the General Manager of Public Utilities to continue an existing relationship with the Call Company, to provide "as-needed" consulting services to Hetch Hetchy Water and Power, extending the term of the contract to March 31, 1998 and increasing the contract amount by \$25,000 for a contract total not to exceed \$879,000.

President Makras deferred discussion of Item 30 until after the Closed Session.

31. Accepting the final Conceptual Engineering Report for the Alameda Creek Fishery Water Recapture Facility.

President Makras asked why the City should pay for work that went beyond the terms of the contract. Mr. Joshua Milstein, Deputy City Attorney, advised that the contractor performed the additional work at the request of the Water Department with the understanding that the contractor would be paid at the completion of the job. Therefore, Mr. Milstein recommended paying the amount due to the contractor for the additional work.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 31, passed (4-0) unanimously.

Resolution No. 97-0286: Authorizing the General Manager of Public Utilities to accept the final Conceptual Engineering Report for the Alameda Creek Fishery Water Recapture Facility prepared by Bookman Edmonston Engineering, Inc.; extending the contract to October 31, 1997; increasing the final contract amount by \$74,000 and approving the transfer of funds within the Water Supply & Treatment Division's Operating Fund.

32. Authorizing the General Manager of Public Utilities, to execute Amendment No. 6 to the professional services agreement with EDAW, Inc. increasing the contract amount by \$255,570 and extending the term to 84 months to finalize and implement the Comprehensive Watershed Management Plans and Policy for the San Francisco Peninsula and Alameda Creek Watershed lands.

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 32 to the call of the Chair to give the Human Rights Commission an opportunity to review the item; passed (4-0) unanimously.

33. Authorizing an amendment to three as-needed environmental consulting contracts.

Staff requested increasing the spending authority for the three as-needed environmental consulting contracts by \$2,000,000. The amendment would restore the spending authority to \$3,200,000 as originally requested by staff. The Commission previously approved \$1,200,000.

President Makras recommended increasing the contracts by \$800,000 bringing the total amount of the contracts to \$2,000,000. He directed staff to return to the Commission when they require additional funds.

Emeric Kalman asked what was the source of funds for these as-needed contracts.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 33 as amended; passed (4-0) unanimously.

Resolution No. 97-0287: Authorizing the Manager of the Bureau of Environmental Regulation and Management to execute Amendment No. 1 to each as-needed environmental consulting contracts with Baseline Environmental, Camp Dresser McKee, and Olivia Chen/TetraTech Joint Venture, increasing the total potential expenditure under the three contracts to an amount not to exceed \$2,000,000.

President Makras invited comments from the public regarding those agenda items discussed before 1:00 p.m. (The PUC meeting was noticed to start at 12:00 p.m.) There were no comments from the public.

15. Report on the availability of the Draft Lake Merced Comprehensive Management Plan for public review and comment.

Joan Ryan, Project Manager, Bureau of System Planning & Regulatory Compliance, gave a presentation using a slide projector. Ms. Ryan reported on the deteriorating conditions at the perimeter and surface of Lake Merced including the low water level, poor water quality, and proliferation of garbage around the shoreline.

Ms. Ryan pointed out the beneficial uses of Lake Merced for recreation, refuge for natural habitat and water resource. She said the Lake Merced Comprehensive Management Plan was being developed by staff to protect and enhance these resources.

Ms. Toni Pezzetti of CH2M Hill, the Project Manager for the Groundwater Master Plan, stated that assessing the relationship between the lake and the aquifer was important to understanding the rationale for the declining lake level and formulating measures to mitigate the declining levels.

Mz. Pezzetti stated that a groundwater investigation of the vicinity of Lake Merced found that the lake level was affected by the change in precipitation and the relationship of the lake to the westside basin aquifer. She said an analytic model of the westside basin was currently being used to simulate impacts of management strategies for the aquifer and the lake level. One of the scenarios assumes that the four golf courses around Lake Merced convert to the use of recycled water for irrigation. Ms. Pezzetti stated that the results of the different scenarios are important to develop the most hydraulically effective and cost effective management strategies for the westside basin, the aquifer and the lake.

Ms. Ryan noted that the Plan would cost \$600,000 to implement through the next five years. She said some action items in the plan are long-term and some are already being implemented such as the pollution prevention demonstration program, water quality monitoring and control of native invasive plants.

President Makras directed staff to advise the Commission at the earliest time where the project was going, how much it would cost to continue the study, and the operational impact of the course being taken. He stated that he did not want the \$600,000 spent on a project that would not be workable.

Emeric Kalman commented that the \$600,000 project was not the solution to the declining lake level. He requested that staff investigate this further.

26. Authorizing the negotiation of a Professional Services Agreement to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project.

Commissioner Normandy asked whether the Commission could approve the resolution recommended by staff with an amendment to add a firm with outstanding experience in ozone treatment plants. Mr. Moran stated that refining the work scope and the price for the work scope is something that staff could shape during the negotiation process. Commissioner Normandy suggested that staff renegotiate the price diminishing the gap of \$900,000 between the first and second bidders.

Commissioner Cook suggested splitting the project into two phases - do Phase 1 and simultaneously work on Phase 2 where the four bidders could work collectively; or, proceeding with Phase 1 and rebidding Phase 2. Mr. Moran responded that Phase 1 would not put the City in compliance with DOHS. Phase 2 involves an Environmental Impact Review and would get the City in compliance. He said rebidding Phase 2 would take another six months and cost \$50,000 more. Mr. Moran stated that there is considerable latitude in the contract negotiation process to incorporate the issue of expertise in ozone and the management organization of the project.

President Makras directed staff to negotiate the best economic package to the City, consider other firm's expertise on ozonation, negotiate the best management plan and organizational changes between planning and construction work, and return to the Commission for approval of the final contract package.

Commissioner Normandy suggested specifying Black and Veatch as the firm with ozone expertise well above the other bidders. Mr. Moran responded that staff would include the expertise requested but it may or may not involve Black & Veatch.

Emeric Kalman commented that the ozone disinfection process was not 100% safe. He stated that to keep the water safe the department should keep the watershed clean and take necessary precautions.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 26 as amended; passed (4-0) unanimously.

Resolution No. 97-0282: Authorizing the Manager of the System Planning and Regulatory Compliance Bureau to negotiate a Professional Services Agreement to obtain the best economic package for the City to perform engineering services for the Sunol Valley Water Treatment Plant Improvement Project, to obtain expertise in ozone treatment plant design, and to negotiate a management plan to shorten the time to



compliance with the Montgomery Watson/AGS, Inc./Structus Joint Venture for a contract amount not to exceed \$5,640,000; authorizing the transfer of funds in the amount of \$1,653,130 from Sunol Fast Track Project to Sunol Valley Water Treatment Improvement Project; and directing staff to utilize the cost estimate information received from other proposers to negotiate the most appropriate Scope of Work and contract cost.

## **CLOSED SESSION**

**34. Public Comments on matters to be discussed in Closed Session.**

Regarding Item 40, Lease of 1155 Junipero Serra Boulevard, Glen Nettle of Mahikari Organization commented that their organization was nonprofit and \$600 a month rent would be a substantial burden for them.

**35. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.**

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege, passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:53 p.m. to 3:30 p.m. to discuss the following matters:

**36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):**

Existing Litigation: Yee v. City and County of San Francisco, San Francisco Superior Court No. 980-740

Moved by Commissioner Makras, seconded by Commissioner Normandy, to approve a settlement for Item 14, passed (4-0) unanimously.

Resolution No. 97-0288: Approving a settlement in the case of Yee v. City and County of San Francisco, San Francisco Superior Court No. 980-740.

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
- Existing Litigation: CCSF v. San Joaquin Co. et.al., State Board of Equalization Nos. ARA 95-010 and 95-012.
- Moved by Commissioner Cook, seconded by Commissioner Normandy, to approve a settlement for Item 37, passed (4-0) unanimously.
- Resolution No. 97-0289: Authorizing the City Attorney to enter into stipulations of value before the State Board of Equalization with San Joaquin and Stanislaus Counties.
38. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Portion of Parcel 65 in Sunol, Alameda County  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock  
Under Negotiation: Price and Terms
- No action was taken.
39. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Portion of Parcel 46, San Mateo County Lands, East Palo Alto  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Douglas Broadcasting Inc.  
Under Negotiation: Price and Terms
- No action was taken.
40. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Portion of Parcel 57A, San Andreas 54"PL, San Francisco  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mahikari of America  
Under Negotiation: Price and Terms
- No action was taken.

41. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Alameda County APN 96-100-15  
Parties Negotiating: Dowd  
Under Negotiation: Price and Terms

No action was taken.

42. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

No action was taken.

43. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: JAMS 950511074 regarding the Bay Area Water Users  
Association.

No action was taken.

44. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources  
Control Board.  
2) Electric Restructuring Hearings before the California Public  
Utilities Commission.  
3) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

No action was taken.

45. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.



46. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

30. Authorizing the General Manager of Public Utilities to continue an existing relationship with Gruenich Resource Advocates to provide as-needed legal and regulatory services to Hetch Hetchy Water and Power, increasing the contract amount by \$500,000 for a contract total not to exceed \$1,430,000.

Item 30 was continued to the call of the Chair.

Thereupon, the meeting was adjourned: 3:31 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## SPECIAL MEETING

October 21, 1997

9:00 A.M.

Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President -  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

DOCUMENTS DEPT.

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PUBLIC LIBRARY

### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

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Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## **ORDER OF BUSINESS**

1. Call to Order
2. Roll Call
3. A workshop on contractor selection procedures. (Cockburn)

ADJOURNMENT



# MINUTES

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

DOCUMENTS DEPT.

### SPECIAL MEETING

DEC 02 1997

SAN FRANCISCO  
PUBLIC LIBRARY

October 21, 1997  
9:00 A.M.  
Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 9:10 A.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner Frank L. Cook  
  
Excused - Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe
3. Workshop on Contractor Selection Procedures.

President Makras invited comments from the public. There were no comments received.

Robert T. Cockburn, Manager of the Utilities Engineering Bureau, gave a presentation using an overhead projector. He discussed the current process of selecting consultants for Public Utilities Commission projects. He showed a chart of the Request For Proposal (RFP) Process currently used by staff. In the existing process, the Commission had three decision points; first, in the approval of the Capital Improvement Program during the budget review process; second, in the approval for staff to solicit proposals through issuance of a Request For Proposals (RFP's); and third, in the selection of a consultant authorizing staff to negotiate or secure a contract.

Mr. Cockburn showed a slide listing the various RFP's issued or planned to be issued for the next two years. The total cost of the RFP's is \$42 million. President Makras asked for ways to accomplish all of the work for less money. Mr. Cockburn responded that smart scoping, decision making and procurement may help reduce costs. President Makras suggested looking at the type of work involved and spreading it out by product or deliverables to get competitive bids. Mr. Cockburn responded that the concept may work for construction contracts but not on design contracts.

Commissioner Cook asked how the 18-month time line for the consultant selection process could be shortened. He was concerned about the price of the contract rising over time. Mr. Cockburn stated that once staff established allowable rates and set the benchmark and baseline, it would not take that long to select a consultant. President Makras noted that an 18-month time line was not acceptable. He suggested a three to six-months time frame. Mr. Cockburn explained that there were steps in the process that take time and were beyond PUC's control such as getting approval from other City agencies like the Human Rights Commission and the Civil Service Commission, or obtaining compliance with the City's Equal Benefit Ordinance.

President Makras suggested incorporating all aspects of the contract up front, holding a pre-submittal meeting with bidders, and sending the RFP concurrently to contractors and other approving agencies. Steve Ritchie, Manager, Bureau of System Planning & Regulatory Compliance commented that interaction with the Human Rights Commission is iterative and has to be dealt with at a much higher level.

President Makras asked staff's recommendations on whether cost estimates should be quoted in the RFP. Mr. Moran noted that the current practice by staff was to specify a broad range of numbers. Mr. Cockburn noted that cost estimates may vary by type and size of the contract.

Mr. Cockburn commented that the focus in procuring professional services is the quality of service. President Makras asked how the process could be crafted to extract good quality of work from the consultants. Mr. Cockburn suggested that the RFP should indicate how the consultants would be evaluated.

President Makras asked whether the price of a contract is adjusted if key personnel changes from what was initially procured in the contract. He expressed concerns that a change to a less competent person managing the project may cause delays and overruns. Mr. Cockburn responded that the firm has to get a replacement with comparable knowledge and skills. He explained that it also depended on the type of the contract. For "as-needed contracts", you are hiring the firm while for continuing contracts you hire a particular expertise of an individual and continue to have long term relationship with that same individual. Phased and standard contracts rely upon the expertise of a person assigned for the specific job. Mr. Cockburn commented that this issue could be addressed by the consultants in their proposals. Mr. Moran commented that in large complex engineering you are less likely to depend on one person. He said staff had depended on one person for legal services or expert services and it has been staff's practice to follow a person rather than a firm. Mr. Berliner stated that the contract could also be broken up so that the key person could subcontract with the firm originally contracted for the project. Mr. Ritchie suggested adding a provision in the contract that any change in key personnel may cause termination of the contract. Mr. Moran commented that it had not been a major problem for staff when a key personnel leaves a project.

### Progress Reporting

Mr. Cockburn asked the position of the Commission regarding progress reporting for the consultant selection process. He suggested that if a contract would take longer than three months to complete, staff would give a progress report through the General Manager's Report or by preparing an agenda item.

Commissioner Cook stated that he preferred to receive a report through the General Manager's report. He did not want various stages of the Request for Proposal to come to the Commission.

President Makras stated that a memorandum to the Commission should be sufficient when a project is delayed. However, staff should bring to the Commission matters that require policy decisions, such as when a time line cannot be met due to a tight time frame or whenever a step needs to be added to the process.

President Makras stated that he would like staff to report on any changes in project schedule and how much money was leftover from each project. He said he wanted to know how much money was saved or where an error was made so that changes could be made to improve the system. He said he was opposed to transferring money from one project to another. He reiterated his request for staff to submit a list of projects with leftover funds. Mr. Cockburn suggested a monthly report of all projects let by UEB.

#### Suggestions for Consultant Selection Process Alternatives

Mr. Cockburn requested suggestions from the Commission concerning the depth of the Commission's involvement in the selection process. He suggested various alternatives such as: one Commissioner sitting for the Commission throughout the entire selection process; a subcommittee of the Commission; the Commission could conduct the final interview of the short listed firms depending on the type, size and significance of the contract; or the Commission could select from the staff recommended top three firms without interview.

Regarding the Sunol Water Treatment Plant Improvement Project, Commissioner Caen asked how the interview questions were formulated and why some areas were not discussed between the members of the selection panel before scoring. Mr. Cockburn stated that the panel discussed and selected the weighting for each criterion. He said HRC does not allow discussions between panel members prior to scoring to establish fairness between bidders and to prevent a dominant personality, by force of presentation, sway the decision of the members. Mr. Cockburn stated that there should be more discussions at the selection level before the final scoring.

Steve Leonard cited as an example the Sunol Valley Water Treatment Improvement Project where the panel had their own sets of questions for the interview. The panel had very limited latitude to explore and ask questions beyond what was decided in the short listing process. The fact that the panel could not discuss key points regarding the presentation weakened the selection process.

President Makras suggested putting 40% weight for oral interviews and indicating that in the Request for Proposal.

Mr. Moran requested direction from the Commission to meet with HRC on how the system could be revised to address both PUC and HRC's requirements.

Mr. Ritchie suggested restructuring the panel selection report to include more explanation to support the scores. President Makras suggested using the same written form but specify in the RFP what the panel would be looking for at the interview.

Commissioner Caen commented that the involvement of the Commission in the selection process should be based on the dollar amount of the contract.

Mr. Moran stated that the Commission is welcome to observe anytime during the selection process. President Makras asked whether it was equitable to the process if one Commissioner steps in and becomes an advocate. Mr. Thomas M. Berliner, Utilities General Counsel, commented that selection of consultants was an administrative function of the department. He said there was nothing wrong with a member of the Commission participating in the process as the system allows for advocacy; however, he was concerned about one Commissioner having a great deal of influence to other members of the Commission and on the outcome of the process.

Mr. Moran asked the Commission at which point should staff know when not to invest any further on a project. President Makras commented about the need for a fast selection process. Commissioner Caen suggested a monthly report on the status of projects. Commissioner Cook commented that if a contract is on schedule the Commission does not need to see a report; however, if there are any problems along the way staff should advise the Commission. President Makras suggested that when a project is not on time and not on budget despite the phase it is in, staff has to advise the Commission. In the selection process itself, if the 90-days schedule cannot be met, staff should advise the Commission.

Mr. Moran recommended changing the format for agenda items requesting authority to issue an RFP. He suggested including a discussion on the scope of work, estimated cost, a recommended business relationship whether a simple professional or phased contract, the MBE/WBE objectives, the selection process, and weighting factor.

Commissioner Caen stated that the Commission as a whole should conduct the interview rather than just one Commissioner. She stated that she also would like to have routine reports regarding the financial status of projects.

Regarding the disclosure of estimated costs in the RFP, President Makras' point of view was that we would get a broader spectrum of pricing if we already know what we want. Mr. Cockburn stated that estimates are usually done when we do not know what we want. The price for design work is based on the scope and how much details are required in the design. Mr. Cockburn stated that providing a dollar estimate allows staff to know what it would take to do the project.



President Makras stated that a bid should be rejected if it is 20% higher than the engineer's estimate. He pointed out the need for staff to come up with accurate estimates.

Art Jensen, President, Bay Area Water Users Association, commented in favor of disclosing cost estimates in the Request for Proposal. Regarding the current interview process he called the "Olympic scoring system," he said it did not give the City a good product at a good price in a timely manner.

In response to President Makras' question, Mr. Moran stated that the "Olympic score card system" does not serve the City well and the system should be changed. He suggested holding a discussion with the Human Rights Commission to convey the deficiencies observed in the consultant selection process and the interest for further Commission involvement in the process.

President Makras suggested to specify in the Request for Proposal, the weight points for oral presentations. Commissioner Caen expressed her desire to have a free exchange of discussion among the panelists before scoring. Commissioner Cook suggested structuring the interview questions by assigning weight values.

Phil Dela Cruz, UEB Engineer, suggested establishing a set of rules in the beginning of the process, decide which skills of the consultants are desired, and establish points for those skills.

Don Chan, UEB Engineer, commented in favor of allowing a flow of discussion among the panelists as long as the panel members are aware that they do not have to change or defend their scores as a result of the discussion.

In summary, staff would: 1) meet with HRC to pursue a better structured process of selection to get the best product and the best price; 2) work on a 90-day process objective; 3) develop decision points to beef up efforts in presenting inclusive information in the Request for Proposal (RFP) stage; 4) revise the information on the agenda item on award time; and 5) implement better financial reporting measures. Mr. Moran pointed out that the most immediate steps staff would be taking were to improve financial reporting, and develop a decision point for the Commission between the approval to advertise the Request for Proposal and approval to negotiate or select a consultant.

Thereupon, the meeting was adjourned:

11:48 A.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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### SPECIAL MEETING

October 23, 1997

11:30 A.M.

Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



## Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call

### CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property  
on Bernal Avenue in Alameda County.

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation:

- 1) Bay Delta Hearings before the State Water Resources Control Board.
- 2) Electric Restructuring Hearings before the California Public Utilities Commission.
- 3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

SPECIAL MEETING

DOCUMENTS DEPT.

October 23, 1997

11:30 A.M.

Room 402

1155 Market Street, Fourth Floor

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COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 11:43 A.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner Frank L. Cook  
  
Commissioner E. Dennis Normandy arrived at 11:50 A.M.  
  
Excused - Commissioner Robert K. Werbe

### **CLOSED SESSION**

3. Public Comments on matters to be discussed in Closed Session.  
  
There were no public comments.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege, passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 11:45 a.m. to 1:55 p.m. to discuss the following matters:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
  
Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.  
  
No action was taken.

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

- Existing Litigation:
- 1) Bay Delta Hearings before the State Water Resources Control Board.
  - 2) Electric Restructuring Hearings before the California Public Utilities Commission.
  - 3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken.

5. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

6. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 1:56 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

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## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### REGULAR MEETING

October 28, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
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Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
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## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Media Update - 7 mins. (Dayonot)
  - b. Rescheduling November and December Commission Meetings.
8. Public Comments
  - a. Peter Beecher regarding fire service charges. 10 mins.

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR BUSINESS**

9. Authorizing the General Manager of Public Utilities to apply for, accept, and expend funds of \$24,000 from the United States Environmental Protection Agency to conduct a pilot program designed to educate San Francisco children on preventing water pollution. (Medbery)
10. Authorizing the extension of the water service contract with the National Park Service for the Presidio to December 31, 1997. (Ritchie)
11. Authorizing the extension of the agreement with California Department of Water Resources to operate and maintain the temporary Sunol turnout from the South Bay Aqueduct until August 1, 1999. (Ritchie)

## **LEASES AND PERMITS**

12. Authorizing the General Manager of Public Utilities to execute a lease with Tom Koulouris for Public Utilities Commission land adjacent to 998 El Camino Real in South San Francisco to operate a gasoline station and automotive repair and services at a monthly rental rate of \$5,000. (Continued from the meeting of September 23, 1997). (Dowd)
13. Authorizing the General Manager of Public Utilities to execute a Consent of Lessor, consenting to the Agreement Supplementing Deed of Trust and Assignment of Real Property Leases and Rents pursuant to a Right-of-Way Ground Lease with San Antonio Center Associates for certain property located within the San Antonio Center in the City of Mountain View, County of Santa Clara, State of California. (Dowd)
14. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the sale of 1.15 acres of City land under the jurisdiction of the Public Utilities Commission, located adjacent to 940 Hamlin Court, Sunnyvale, to W. Leslie Pelio. (Dowd)

15. Authorizing the General Manager of Public Utilities to execute a lease with SMART SMR of California, Inc., dba Nextel Communications, for the use of Public Utilities Commission land at the Trousedale Gate along the Interstate 280 corridor in Millbrae, California to install mobile/wireless antennas for transmission and reception of radio communication signals, at an initial monthly rental rate of \$2,000. (Dowd)
16. Authorizing the General Manager of Public Utilities to execute a permit with Harlan Tait Associates to perform certain topographic and geologic mapping of potential seismic faults within the San Andreas fault zone, on a portion of San Francisco Peninsula watershed in San Mateo County. (Dowd)
17. Authorizing the General Manager of Public Utilities to execute a permit with the City of South San Francisco to install and maintain landscaping within a portion of Parcel 22 of San Mateo County lands, located in South San Francisco, San Mateo County. (Dowd)
18. Authorizing the General Manager of Public Utilities Commission to execute a Letter Agreement with Mission Valley Rock as lessee to allow the removal of a 36-inch pipeline currently crossing a portion of Parcel 65 in Sunol, Alameda County. (Dowd)

## CONSTRUCTION CONTRACTS

### Advertise

19. Approving the plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-0005 "Southeast Community Center (SECC) Heating, Ventilating and Air Conditioning Control Retrofit and Upgrade" and authorizing advertisement for bids. (Cockburn)
20. Approving the plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-107 "Bush/Kearny/Post/Sutter Streets Sewer Replacement" and authorizing advertisement for bids. (Cockburn)

## CONSTRUCTION CONTRACTS

### Close

21. Accepting the work performed under Utilities Engineering Bureau Contract Specification No. 1356N, "3rd Avenue Sewer Replacement"; and approving final payment of 5% retention to the contractor, Alpine Construction. (Cockburn)

## PROFESSIONAL SERVICE CONTRACTS

### Amend

22. Authorizing the General Manager of Public Utilities to continue an existing relationship with Gruenich Resource Advocates to provide as-needed legal and regulatory services to Hetch Hetchy Water and Power, increasing the contract amount by \$500,000 for a contract total not to exceed \$1,430,000. (Continued from the meeting of October 14, 1997). (Klein)

## CLOSED SESSION

23. Public Comments on matters to be discussed in Closed Session.
24. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

### THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portion of Parcel 65 in Sunol, Alameda County.
Parties Negotiating:	CCSF - Dowd/Sullivan Lessee - Mission Valley Rock
Under Negotiation:	Price and Terms



26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Armistead)

Existing Litigation: Pacific Gas & Electric Co.. Claim No. 95-03974.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berkowitz)

Existing Litigation: Pamela R. Stephenson v. CCSF, et.al., Superior Court No. 979-225.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Milstein)

Anticipated Litigation: Regarding San Mateo Creek.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

31. Announcement following Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



## CONSTRUCTION CONTRACTS

### Close

21. Accepting the work performed under Utilities Engineering Bureau Contract Specification No. 1356N, "3rd Avenue Sewer Replacement"; and approving final payment of 5% retention to the contractor, Alpine Construction. (Cockburn)

## PROFESSIONAL SERVICE CONTRACTS

### Amend

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Under Negotiation:	Price and Terms

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
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Existing Litigation: Pacific Gas & Electric Co.. Claim No. 95-03974.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
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Existing Litigation: Pamela R. Stephenson v. CCSF, et.al., Superior Court No. 979-225.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Milstein)

Anticipated Litigation: Regarding San Mateo Creek.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Ambrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

31. Announcement following Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



# ADDENDUM TO PUC AGENDA

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC UTILITIES COMMISSION

2:00 P.M.

October 28, 1997

1155 Market Street, 4th Floor

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## CLOSED SESSION

- 30.(a) Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Berliner)

- Existing Litigation: 1) Electric Restructuring Hearings before the California Public Utilities Commission.
- 2) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.



MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

REGULAR MEETING

October 28, 1997  
2:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

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COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

DEPARTMENTS

Water Department  
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System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 2:00 P.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner Frank L. Cook

Commissioner E. Dennis Normandy arrived at 2:05 p.m.

Commissioner Robert K. Werbe was excused.

3. Approval of Minutes

There were no minutes submitted.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Caen requested staff to begin the discussion with the Human Rights Commission concerning the interview process for selecting consultants. She also requested staff to submit a monthly financial report on PUC contracts listed by department so that the Commission could get an overview of money already spent.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

- a. Media Update

Timothy M. Dayonot, Government & Public Affairs Manager, reported on the media coverage the Public Utilities Commission received in relation to recent PUC activities. Mr. Dayonot showed videotapes of actual news footage regarding the Clean Water Program's 25th Anniversary Celebration, the cattle grazing accord celebration and the Sunol Temple's Restoration Kickoff Event. One of the tapes regarding cattle grazing was taken by a Japanese television crew and was the actual footage aired in Japan.

b. Rescheduling November and December Commission Meetings.

Moved by President Makras, seconded by Commissioner Normandy, to adopt a resolution changing the November and December Public Utilities Commission meetings; passed (4-0) unanimously.

Resolution No. 97-0290: Changing the Public Utilities Commission meeting schedule as follows:

The November 18, 1997 rescheduled meeting will begin at 2:00 P.M.

The Regular Meeting of December 9, 1997 was rescheduled to December 16, 1997 at 1:00 P.M.; and

The Regular Meeting of December 23, 1997 was canceled.

8. Public Comments

Peter Beecher urged the Commission to review the current rate structure for dedicated fire protection systems and to develop and implement a rational rate structure. He commented that the current service charges for dedicated fire protection systems place a significantly high financial burden upon owners of small buildings and businesses.

Larry Larson, Regional Manager of the National Fire Sprinkler Association, urged the Commission not to charge a standby fee for fire sprinkler systems.

Emeric Kalman commented that he was pleased with the Water Quality Report received from staff. He requested an opportunity to discuss his concerns with staff regarding Proposition A and B before the election.

9. Authorizing the General Manager of Public Utilities to apply for, accept, and expend funds from the United States Environmental Protection Agency.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 9, passed (4-0) unanimously.

Resolution No. 97-0291: Authorizing the General Manager of Public Utilities to apply for, accept, and expend funds of \$24,000 from the United States Environmental Protection Agency to conduct a pilot program designed to educate San Francisco children on preventing water pollution.

10. Extending the water service contract with the National Park Service for the Presidio.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 10, passed (4-0) unanimously.

Resolution No. 97-0292: Authorizing the extension of the water service contract with the National Park Service for the Presidio to December 31, 1997.

11. Extending the agreement with California Department of Water Resources to operate and maintain the temporary Sunol turnout.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 11, passed (4-0) unanimously.

Resolution No. 97-0293: Authorizing the extension of the agreement with California Department of Water Resources to operate and maintain the temporary Sunol turnout from the South Bay Aqueduct until August 1, 1999.

## **LEASES AND PERMITS**

12. Authorizing a lease with Tom Koulouris. (Continued from the meeting of September 23, 1997).

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 12, passed (4-0) unanimously.

Resolution No. 97-0294: Authorizing the General Manager of Public Utilities to execute a lease with Tom Koulouris for Public Utilities Commission land adjacent to 998 El Camino Real in South San Francisco to operate a gasoline station and automotive repair and services at a monthly rental rate of \$5,000.

13. Authorizing a Consent of Lessor pursuant to a Right-of-Way Ground Lease with San Antonio Center Associates.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 13, passed (4-0) unanimously.

Resolution No. 97-0295: Authorizing the General Manager of Public Utilities to execute a Consent of Lessor, consenting to the Agreement Supplementing Deed of Trust and Assignment of Real Property Leases and Rents pursuant to a Right-of-Way Ground Lease with San Antonio Center Associates for certain property located within the San Antonio Center in the City of Mountain View, County of Santa Clara, State of California.

14. Sale of 1.15 acres of PUC owned land to W. Leslie Pelio.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 14, passed (4-0) unanimously.

Resolution No. 97-0296: Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the sale of 1.15 acres of City land under the jurisdiction of the Public Utilities Commission, located adjacent to 940 Hamlin Court, Sunnyvale, to W. Leslie Pelio.

On recommendation by President Makras, Commissioner Caen moved, Commissioner Normandy seconded to adopt Item numbered 15 as amended, 16 and 17 collectively. Gary Dowd recommended extending the term of the lease for Item 15 to ten years at lessee's request provided that the City would have an opportunity to reevaluate the lease after five years.

15. Resolution No. 97-0297: Authorizing the General Manager of Public Utilities to execute a lease with SMART SMR of California, Inc., dba Nextel Communications, for the use of Public Utilities Commission land at the Trousedale Gate along the Interstate 280 corridor in Millbrae, California to install mobile/wireless antennas for transmission and reception of radio communication signals, at an initial monthly rental rate of \$2,000.

16. Resolution No. 97-0298: Authorizing the General Manager of Public Utilities to execute a permit with Harlan Tait Associates to perform certain topographic and geologic mapping of potential seismic faults within the San Andreas fault zone, on a portion of San Francisco Peninsula watershed in San Mateo County.
17. Resolution No. 97-0299: Authorizing the General Manager of Public Utilities to execute a permit with the City of South San Francisco to install and maintain landscaping within a portion of Parcel 22 of San Mateo County lands, located in South San Francisco, San Mateo County.

Item 18 was postponed until after the Closed Session.

## CONSTRUCTION CONTRACTS

On recommendation by President Makras, Commissioner Cook moved, Commissioner Normandy seconded, to adopt Items 19 and 20 as consent items.

19. Resolution No. 97-0300: Approving the plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-0005 "Southeast Community Center (SECC) Heating, Ventilating and Air Conditioning Control Retrofit and Upgrade" and authorizing advertisement for bids.
20. Resolution No. 97-0301: Approving the plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-107 "Bush/Kearny/Post/Sutter Streets Sewer Replacement" and authorizing advertisement for bids.
21. Accepting the work performed under UEB Contract Specification No. 1356N, "3rd Avenue Sewer Replacement".

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 21, passed (4-0) unanimously.

Resolution No. 97-0302: Accepting the work performed under Utilities Engineering Bureau Contract Specification No. 1356N, "3rd Avenue Sewer Replacement"; and approving final payment of 5% retention to the contractor, Alpine Construction.

Item 22 was postponed until after the Closed Session.

## CLOSED SESSION

23. Public Comments on matters to be discussed in Closed Session.

There were none.

24. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:50 p.m. to 5:25 p.m. to discuss the following matters:

25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County.  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock  
Under Negotiation: Price and Terms

No action was taken.

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Pacific Gas & Electric Co., Claim No. 95-03974.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to approve a settlement for Item 26, passed (4-0) unanimously.

Resolution No. 97-0304: Recommending a settlement in the case of Pacific Gas & Electric Co., Claim No. 95-03974.



27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Pamela R. Stephenson v. CCSF, et.al., Superior Court No. 979-225.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to approve a settlement for Item 27, passed (4-0) unanimously.

Resolution No. 97-0305: Recommending a settlement in the case of Pamela Stephenson, SC 979-225.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

No action was taken.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: Regarding San Mateo Creek.

No action was taken.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

No action was taken.

30(a) Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Electric Restructuring Hearings before the California Public Utilities Commission.  
2) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken.



31. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

## **LEASES AND PERMITS**

18. Authorizing the General Manager of Public Utilities Commission to execute a Letter Agreement with Mission Valley Rock as lessee to allow the removal of a 36-inch pipeline currently crossing a portion of Parcel 65 in Sunol, Alameda County.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 18 to the Call of the Chair, passed (4-0) unanimously.

## **PROFESSIONAL SERVICE CONTRACTS**

22. Continuing an existing relationship with Gruenich Resource Advocates. (Continued from the meeting of October 14, 1997).

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 22, passed (4-0) unanimously.

Resolution No. 97-0303: Authorizing the General Manager of Public Utilities to continue an existing relationship with Gruenich Resource Advocates to provide as-needed legal and regulatory services to Hetch Hetchy Water and Power, increasing the contract amount by \$500,000 for a contract total not to exceed \$1,430,000.

Thereupon, the meeting was adjourned: 5:28 P.M.

Romaine A. Boldridge  
Secretary

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Special

# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

### SPECIAL MEETING

November 12, 1997  
10:00 A.M.

Room 402  
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

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### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



### **Disability Access**

28  
The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week. For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

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### **Know your rights under the Sunshine Ordinance** (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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### **1155 Market Street Fourth Floor Meeting Room Safety Announcement**

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.



**ORDER OF BUSINESS**

28

1. Call to Order

2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

**CLOSED SESSION**

3. Public Comments on matters to be discussed in Closed Session.

4. Motion on whether to accord the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Ambrrose/Nelson)

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

6. Announcement following Closed Session.

7. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT





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# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

#### SPECIAL MEETING

November 12, 1997  
10:00 A.M.  
Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

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#### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Lorna T. Navarro  
ACTING SECRETARY



1. Call to Order: 10:07 A.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner E. Dennis Normandy  
  
Commissioner Frank L. Cook arrived at 10:16 a.m.  
  
Commissioner Robert K. Werbe was excused.

### CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.

There were no comments.

4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 10:10 a.m. to 11:47 a.m. to discuss the following:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff and as Defendant  
Regarding 500+ acres of San Francisco Water Department  
property on Bernal Avenue in Alameda County.

No action was taken.

Note: Commissioner Caen was excused after the Closed Session.

The Public Utilities Commission reconvened in open session.

6. Announcement following Closed Session.

Lorna T. Navarro, Acting Commission Secretary, announced that no action was taken during Closed Session.

7. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 11:48 A.M.

Romaine A. Boldridge  
Secretary

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1/18/97

Special/Rescheduled

# AGENDA

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## SPECIAL/RESCHEDULED MEETING

November 18, 1997  
2:00 P.M.

Room 402  
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

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### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

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If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Proposition A & B Election Results - 10 mins. (Moran)
  - b. Sewer Repair - 15 mins. (Keaney)
  - c. System Modeling Options - 10 mins. (Williams)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.



## **REGULAR BUSINESS**

9. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer at the intersection of Geary Boulevard and 23rd Avenue. (Cockburn)

## **LEASES AND PERMITS**

10. Authorizing the General Manager of Public Utilities Commission to execute a Letter Agreement with Mission Valley Rock as lessee to allow the removal of a 36-inch pipeline currently crossing a portion of Parcel 65 in Sunol, Alameda County. (Continued from the meeting of October 28, 1997). (Dowd)
11. Authorizing the Commercial Land Manager to execute a letter agreement with BART setting forth the terms and conditions upon which this Commission, as landlord, will consent to the execution of a license agreement between J.C. Penny Inc. and N.Y. Life Insurance Company, as tenant, and BART, which license agreement will permit BART to relocate portions of Huntington Avenue on the leased premises in connection with BART's extension to San Francisco International Airport. (Dowd)

## **CONSTRUCTION CONTRACTS**

### **Advertise**

12. Authorizing the Utilities Engineering Bureau to advertise for bids for Contract No. WD-2133, Site Improvements at the SFWD Millbrae Headquarters. (Cockburn)
13. Authorizing the Utilities Engineering Bureau to advertise for bids for San Francisco Water Department Contract WD-2216, 8-Inch Ductile Iron Main Installation in 24th Street between Potrero Avenue and Vermont Street and in 25th Street between Mission and Harrison Streets. (Cockburn)

## CONSTRUCTION CONTRACTS (Continued)

14. Authorizing the Utilities Engineering Bureau to advertise for bids for San Francisco Water Department Contract WD-2222, 8-Inch Ductile Iron Main Installation in Franklin Street between McAllister and Market Streets, and McAllister Street between Franklin and Market Streets. (Cockburn)
15. Authorizing the Utilities Engineering Bureau to advertise for bids to pre-purchase various equipment for Engineering Specification No. 1335N, North Point Water Pollution Control Plant Improvements- Phase 3. (Cockburn)

### Award

16. Awarding San Francisco Water Department Contract WD-2205, 8-Inch Ductile Iron Main Installation in O'Farrell Street between Broderick and Fillmore Streets, and in Ellis Street between Divisadero and Steiner Streets, to A. Ruiz Construction Co. & Associates, Inc. in the amount of \$419,220. (Cockburn)
17. Awarding Contract WP-13R, Moccasin Cottages Reroof, to King's Roofing in the amount of \$214,217. (Cockburn)

### Close

18. Accepting the work performed under Hetch Hetchy Water & Power Contract No. HH-853, Tuolumne Meadows Sewer Rehab-Phase II as complete; approving contract modification No. 2 in the debit amount of \$259,893.55; extending completion date to October 2, 1997; approving final payment to A. Ruiz Construction Co. & Associates, in the amount of \$348,635.26; and requesting the Board of Supervisors's approval to modify the amount and term of the contract. (Cockburn)

## PROFESSIONAL SERVICE CONTRACTS

### Amend

19. Authorizing the Manager of System Planning & Regulatory Compliance, to extend the existing agreement with Montgomery Watson/Ellington/Ballofet Joint Venture, for services on the Water Supply Master Plan, by 45 days to January 7, 1998 at no cost. (Williams)
20. Authorizing the General Manager of Public Utilities Commission to amend the professional services agreement with EDAW, Inc. for completion of the Watershed Management Plans and Program Environmental Reports Project, increasing the contract amount by a cost not to exceed \$255,570 and extending the term to 87 months. (Davis)

### CLOSED SESSION

21. Public Comments on matters to be discussed in Closed Session.
22. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

23. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Donlin)  
  
Existing Litigation: Regarding claim of Sogelau and Lupe Laula, File 96-W-6049-3.
24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Milstein)  
  
Existing Litigation: JAMS 950511074 regarding the Bay Area Water Users Association.

25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Portion of Parcel 65 in Sunol, Alameda County  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock  
Under Negotiation: Price and Terms
26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Property: Muni right of way, Parcel 8, South San Francisco  
Parties Negotiating: Dowd/Sullivan  
Lessee: Bay Area Rapid Transit District  
Under Negotiation: Terms and Conditions
27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Dowd/Sullivan)
- Anticipated Litigation: As Plaintiff  
Regarding Van Van Vo, New Long Fish Company.
28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Anticipated Litigation: As Plaintiff and as Defendant  
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.  
Parties Negotiating: Ambrose/Nelson/Lymburn  
City of Pleasanton  
Under Negotiations: Terms and Conditions

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

- Existing Litigation: 1) Electric Restructuring Hearings before the California Public  
Utilities Commission.
- 2) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

30. Announcement following Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

# MINUTES

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

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### SPECIAL/RESCHEDULED MEETING

November 18, 1997  
2:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

#### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 2:00 P.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe

Commissioner Frank L. Cook arrived at 2:05 P.M.

3. Approval of Minutes

On motion by Commissioner Normandy, seconded by Commissioner Caen, the Commission unanimously approved the Minutes of the Special Meeting of September 30, 1997, the Minutes of the Regular Meeting of October 14, 1997, the Minutes of the Special Meeting of October 23, 1997 and the Minutes of the Regular Meeting of October 28, 1997.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

Commissioner Normandy requested staff to schedule a discussion regarding safety and security issues on the watershed. Anson B. Moran, General Manager of Public Utilities, stated that Health & Safety staff would be reporting on this matter at the next regular meeting scheduled on November 25, 1997.

President Makras reported that on his latest visit to Moccasin and Hetch Hetchy facilities, he observed the fishery releases below the O'Shaughnessy Dam. He requested that staff provide information to the Commission concerning the feasibility of installing a generator to capture the power from the fish releases to see if it is a beneficial revenue enhancement tool. Mr. Moran responded that staff would provide this information to the Commission.

7. Report of the General Manager

a. Proposition A & B Election Results

Mr. Moran reported that Propositions A and B passed on the November 4, 1997 ballot authorizing the sale of \$304 million in water bonds to fund a portion of the capital program. He pointed out that the Commission's action to maintain a zero rate increase contributed to the success of the ballot measures.

President Makras thanked the members of the Commission for their support of the propositions and their commitment to making the system the best in the world. Likewise, he commended staff for their contribution of time and efforts toward the passage of the propositions. He presented plaques of appreciation to Cheryl Davis, Robert T. Cockburn, Everett Hintze, Tim Dayonot, Ann Carey, Steven Carmichael, and Anson Moran.

President Makras took the agenda out of order. The Commission heard Item 8, Public Comments.

8. Public Comments

Jim Dell, President of Dell's Ivy Acres Nursery, Eric Beran of John Ura Farms, Mike Cerny and Robert Worthington of Hi-C Nursery urged the Commission to charge leaseholders agricultural market rates for untreated water they use for irrigation. They stated that they believed that their leases included water usage. President Makras stated that staff would include this matter during the budget process and during the water rate hearings.

John Douglas, owner of Douglas Broadcasting, commented that the rental rate proposed for the use of land owned by the PUC was too high. He urged the Commission to reduce the rental fee to \$1800 a month from the proposed rate of \$5,000 per month. President Makras said he would take Mr. Douglas' statement as a request to resubmit their proposal to the Bureau of Commercial Land Management.

The Commission went into Closed Session at 2:30 P.M.. They reconvened in an open session at 3:10 P.M. and resumed discussion of Item 7, Report of the General Manager.

7. b. Sewer Repair

Tony Flores, Superintendent of Sewer Operations, gave an electronic media presentation regarding sewer operations. Mr. Flores mentioned that the sewer operations greatest strength was its ability to provide effective and timely response to sewer problems. He stated that he considers the limited

preventive sewer maintenance program the biggest weakness of the system. Other weaknesses he mentioned were inefficient record keeping, inaccurate maps of city sewers, scarce funds for repair work, lack of equipment, lack of management staff, lack of access to DPW, PUC, and Water Pollution Control's computer systems. He mentioned the need for an office space to house Sewer Operations staff as they currently share offices with DPW.

Mr. Flores discussed the benefits of a computerized management system in improving work planning and scheduling, measuring work force productivity, assessing and measuring the impact of activities to personnel. Mr. Flores stated that a preventive maintenance program would reduce costs, improve service and reduce failures or collapse of sewers.

Commissioner Caen was excused at 3:35 p.m.

c. System Modeling Options

Item 7c was continued to the next regular Public Utilities Commission meeting scheduled on November 25, 1997.

## REGULAR BUSINESS

9. Requesting approval of expenditure of funds for the emergency sewer work at the intersection of Geary Boulevard and 23rd Avenue.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 9, passed (4-0) unanimously.

Resolution No. 97-0306: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer at the intersection of Geary Boulevard and 23rd Avenue.

The Commission postponed the discussion of Item Numbers 10 and 11 until after the Closed Session.

## CONSTRUCTION CONTRACTS

12. Authorizing the Utilities Engineering Bureau to advertise for bids for Contract No. WD-2133, Site Improvements at the SFWD Millbrae Headquarters.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 12 to the call of the Chair, passed (4-0) unanimously.

On recommendation by President Makras, Commissioner Werbe moved, seconded by Commissioner Cook to adopt Items 13, 14 and 15 as consent items; passed (4-0) unanimously.

13. Resolution No. 97-0309: Authorizing the Utilities Engineering Bureau to advertise for bids for San Francisco Water Department Contract WD-2216, 8-Inch Ductile Iron Main Installation in 24th Street between Potrero Avenue and Vermont Street and in 25th Street between Mission and Harrison Streets.
14. Resolution No. 97-0310: Authorizing the Utilities Engineering Bureau to advertise for bids for San Francisco Water Department Contract WD-2222, 8-Inch Ductile Iron Main Installation in Franklin Street between McAllister and Market Streets, and McAllister Street between Franklin and Market Streets.
15. Resolution No. 97-0311: Authorizing the Utilities Engineering Bureau to advertise for bids to pre-purchase various equipment for Engineering Specification No. 1335N, North Point Water Pollution Control Plant Improvements- Phase 3.
16. Awarding San Francisco Water Department Contract WD-2205.
- Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 16, passed (4-0) unanimously.
- Resolution No. 97-0312: Awarding San Francisco Water Department Contract WD-2205, 8-Inch Ductile Iron Main Installation in O'Farrell Street between Broderick and Fillmore Streets, and in Ellis Street between Divisadero and Steiner Streets, to A. Ruiz Construction Co. & Associates, Inc. in the amount of \$419,220.

17. Awarding Contract WP-13R, Moccasin Cottages Reroof, to King's Roofing in the amount of \$214,217.

Commissioner Werbe commented that the price of \$214,217 to reroof 11 cottages was outrageous.

Robert T. Cockburn, Manager of Utilities Engineering Bureau, stated that staff tried to solicit responsive bids for this reroofing work and did not receive many bids due perhaps to a lot of reroofing activities at this time.

Mr. Cockburn suggested continuance of the item to the next PUC meeting so that staff could investigate the possibility of negotiating with the single bidder for a better price.

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 17 to the next regular meeting scheduled on November 25, 1997; passed (4-0) unanimously.

18. Accepting the work performed under Hetch Hetchy Water & Power Contract No. HH-853.

President Makras asked how we could make timely payments to contractors when a contract runs over the original contract price. Robert T. Cockburn, Manager of the Utilities Engineering Bureau, suggested amending the Administrative Code to authorize PUC to approve contract price modifications exceeding 10% of the original contract price. It would shorten the time to process payments. As it is now written, the Administrative Code stipulates that any price modification that is more than 10% of the original contract price requires the approval of the Board of Supervisors before payment can be made.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 18, passed (4-0) unanimously.

Resolution No. 97-0313: Accepting the work performed under Hetch Hetchy Water & Power Contract No. HH-853, Tuolumne Meadows Sewer Rehab-Phase II as complete; approving contract modification No. 2 in the debit amount of \$259,893.55; extending completion date to October 2, 1997; approving final payment to A. Ruiz Construction Co. & Associates, in the amount of \$348,635.26; and requesting the Board of Supervisors's approval to modify the amount and term of the contract.



## PROFESSIONAL SERVICE CONTRACTS

19. Authorizing extension of existing agreement with Montgomery Watson/Ellington/Ballofet Joint Venture.

President Makras expressed concern about the length of time taken for negotiating with the contractor. The contract extension requested by staff was for time to negotiate the provisions of the contract for the development of the Water Supply Master Plan - Phase 2. Mr. Cockburn stated that it was time well expended as staff had been reviewing overhead rates.

President Makras requested staff to provide the Commission with the bargaining positions for each side regarding the overhead rate.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 19, passed (4-0) unanimously.

Resolution no. 97-0314: Authorizing the Manager of System Planning & Regulatory Compliance, to extend the existing agreement with Montgomery Watson/Ellington/Ballofet Joint Venture, for services on the Water Supply Master Plan, by 45 days to January 7, 1998 at no cost.

20. Authorizing an amendment to the professional services agreement with EDAW, Inc..

President Makras expressed concerns regarding the extended length of time to complete the Comprehensive Watershed Management Plan.

Cheryl Davis, Manager, Water Supply & Treatment Division, explained that the delay in completing the plan was due to: 1) the decision of the Board of Supervisors and the Commission to incorporate the Sunol Valley Resource Management Plan in the Watershed Master Plan to address quarrying issues; and 2) the Commission's decision to reconsider three additional aspects in the preferred alternative, the southern golf course, the Peninsula watershed Bay Area Ridge Trail and grazing in the Alameda watershed. The modification of preferred alternatives required environmental review and additional analytical work that took additional time and money. Ms. Davis mentioned that part of the modified cost was for the portion of technical work previously performed by the Watershed Manager, who recently resigned.

## Public Comment

Emeric Kalman asked whether the project was funded by the federal government. President Makras responded that this project was solely funded by the City. Mr. Kalman urged the Commission to revisit those studies that take so long to complete. Commissioner Werbe noted that the Commission was satisfied with the reason behind the delay in the completion of the project.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 20, passed (4-0) unanimously.

Resolution No. 97-0315: Authorizing the General Manager of Public Utilities Commission to amend the professional services agreement with EDAW, Inc. for completion of the Watershed Management Plans and Program Environmental Reports Project, increasing the contract amount by a cost not to exceed \$255,570 and extending the term to 87 months.

## CLOSED SESSION

21. Public Comments on matters to be discussed in Closed Session.

Brian Fitzpatrick, representing the Bay Area Rapid Transit District, urged the Commission's approval to allow J. C. Penney and New York Life Insurance to enter into a license agreement to allow BART to construct a BART extension to the Airport.

22. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 4:17 p.m. to 5:50 p.m. to discuss the following matters:



23. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
Existing Litigation: Regarding claim of Sogelau and Lupe Laula, File 96-W-6049-3.  
No action was taken.
24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
Existing Litigation: JAMS 950511074 regarding the Bay Area Water Users Association.  
  
Moved by Commissioner Normandy, seconded by Commissioner Cook, to ratify approval of a tolling agreement for Item 24, passed (4-0) unanimously.  
  
Resolution No. 97-0316: Ratifying approval of the tolling agreement between the City and Suburban Purchasers extending the period for filing a demand for arbitration for matters related to the 1993-94 Fiscal Year from November 1, 1997 through March 31, 1998.
25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:  
  
Property: Portion of Parcel 65 in Sunol, Alameda County  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Mission Valley Rock  
Under Negotiation: Price and Terms  
  
No action was taken.
26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:  
  
Property: Muni right of way, Parcel 8, South San Francisco  
Parties Negotiating: Dowd/Sullivan  
Lessee: Bay Area Rapid Transit District  
Under Negotiation: Terms and Conditions  
  
No action was taken.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff  
Regarding Van Van Vo, New Long Fish Company.

No action was taken.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant  
Property: 500+ acres of San Francisco Water Department property  
on Bernal Avenue in Alameda County.  
Parties Negotiating: Ambrose/Nelson/Lymburn  
City of Pleasanton  
Under Negotiations: Terms and Conditions

No action was taken.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Electric Restructuring Hearings before the California  
Public Utilities Commission.  
2) Electric Restructuring Hearings before the Federal Energy  
Regulatory Commission.

No action was taken.

The Commission reconvened in open session.

30. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

## LEASES AND PERMITS

10. Authorizing a Letter Agreement with Mission Valley Rock. (Continued from the meeting of October 28, 1997).

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 10, passed (4-0) unanimously.

Resolution No. 97-0307: Authorizing the General Manager of Public Utilities Commission to enter into a letter agreement consenting to the removal of a 36-inch water pipeline currently crossing a portion of Parcel 65 in Sunol, Alameda County and execute an amendment to the lease to permit mining to a depth of not less than 200' upon the amendment of Surface Mining Permit 24 (SMP-24).

11. Authorizing a letter agreement with the Bay Area Rapid Transit District consenting the execution of a license agreement between J.C. Penny Inc. and N.Y. Life Insurance Company, as tenant, and BART.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 11, passed (4-0) unanimously.

Resolution No. 97-0308: Authorizing the Manager of the Bureau of Commercial Land Management to enter into a letter agreement consenting to a license agreement between J.C. Penny Inc. and N.Y. Life Insurance Company, as tenant and the Bay Area Rapid Transit District (BART) which permits BART to relocate portions of Huntington Avenue on the leased premises in connection with BART's extension to San Francisco International Airport.

Thereupon, the meeting was adjourned: 5:53 P.M.

Romaine A. Boldridge  
Secretary

# AGENDA

## PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

## REGULAR MEETING

November 25, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

NOV 20 1997

SAN FRANCISCO  
PUBLIC LIBRARY

## COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

## DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

## **Disability Access**

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The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

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Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Clean Water Strategic Plan - 15 mins. (Plan)
  - b. Sewer Operations - 15 mins. (Keaney)
  - c. Capital and Financial Plan - 10-15 mins. (Carey)
  - d. Watershed Safety Issues - 10 mins. (Jones)
  - e. El Nino Preparations - 10 mins. (Klein)
  - f. Bench Marking Activities - 10 mins. (Arnold)
  - g. System Modeling Options - 10 mins. (Williams)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.



THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR BUSINESS**

9. Recommending to the Board of Supervisors to amend the City Charter to make changes to the Public Utilities Commission's financing authorities and submit these amendments to an electorate at the next City-wide special or general election. (Carmichael)
10. Approving the transfer of San Francisco Water Department Consumer's Closed Accounts with credit balances unclaimed for three years in the amount of \$46,916.99 to the Unappropriated Surplus of the Water Department, Clean Water Program and the General Fund. (Mullane)
11. Authorizing the expenditure increase of \$400,000 for repairs related to the January 14, 1997 Emergency Declaration; and requesting the Board of Supervisors to approve the expenditure of funds. (Cockburn)

## **CONSTRUCTION CONTRACTS**

### **Advertise**

12. Approving the final plans and specifications for Utilities Engineering Bureau Contract CW-102, Pacific Avenue Sewer Replacement; and authorizing advertisement for proposals. (Cockburn)

### **Award**

13. Awarding Contract WP-13R, Moccasin Cottages Reroof, to King's Roofing in the amount of \$214,217. (Continued from the meeting of November 18, 1997.) (Cockburn)
14. Awarding San Francisco Water Department Contract No. WD-2209, 8-Inch Ductile Iron Main Installation in Cortland Avenue between Mission Street and Bayshore Boulevard, to A. Ruiz Construction Co. & Associates, in the amount of \$738,880. (Cockburn)



## CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.
16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

### THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Haase)

Existing Litigation: Regarding claim of Nancy Callaghan, Claim No. 98-00454.

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating:	Ambrose/Nelson/Lymburn City of Pleasanton
Under Negotiations:	Terms and Conditions

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):  
(Milstein)

Anticipated Litigation: Regarding Polhemus Road Landslide in San Mateo County.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

21. Announcement following Closed Session.

22. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

# ADDENDUM TO PUC AGENDA

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC UTILITIES COMMISSION

1:00 P.M.

November 25, 1997

1155 Market Street, 4th Floor

7. Report of the General Manager

h. Electric Restructuring Briefing - 10 mins. (Klein)



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# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

DOCUMENTS DEPT.

## REGULAR MEETING

JAN 05 1998

SAN FRANCISCO  
PUBLIC LIBRARY

November 25, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

## COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

## DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

## BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY



1. Call to Order: 1:08 P.M.
2. Roll Call: Present - President Victor G. Makras; Commissioner E. Dennis Normandy; Commissioner Frank L. Cook  
  
Excused - Vice President Ann Moller Caen; Commissioner Robert K. Werbe
3. Approval of Minutes  
  
On motion by Commissioner Cook, seconded by Commissioner Normandy, the Minutes of the Special Meeting of October 21, 1997 and the Minutes of the Regular Meeting of November 12, 1997 were approved (3-0) by unanimous vote.
4. Communications  
  
No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners  
  
No action was taken.
6. Introduction of New Business by Commissioners  
  
There was no new business introduced by Commissioners.
7. Report of the General Manager
  - a. Clean Water Strategic Plan  
  
Michelle Pla from the Bureau of Systems Planning and Regulatory Control gave a presentation using an overhead projector.  
  
Ms. Pla stated that the Clean Water Program master plan was completed and the City of San Francisco was in full compliance with federal and state requirements as of March 1997. She noted that even with the completion of the master plan, the Public Utilities Commission is still challenged by four forces to do more and develop a strategic plan for the Clean Water Program. She said those forces were aging infrastructures, the need to be more efficient and



cost effective, changes in regulatory requirements, demand for greater level of protection of public health and protection of environment.

She stated that to respond to these forces staff had begun to implement a process to identify priority issues and allocate resources to properly address those priority issues.

Ms. Pla presented the preliminary priority issues identified by staff as follows:

- 1) operational needs and improvements to existing system responsive to four forces;
- 2) infrastructure needs and improvements to maintain compliance with sewer discharge permits;
- 3) expansion of services;
- 4) water supply and recycling;
- 5) water quality and ecosystem protection.

The following individuals expressed their support in proceeding with the alternative study of wastewater treatment systems: Amy Quirk, President of Sunset Community Democratic Club; Beth Abrams, Coalition for Better Waste Water Solutions; Jeff Marmer, Coalition for Better Wastewater Solutions; Leslie Caplan, San Francisco Bay Keeper Clean Water Front; Claude Wilson, Executive Director of the Southeast Alliance for Environmental Justice (SAEJ); Alex Lantsberg of SAEJ; David Gavrich, President, Waste Solutions Group; Barbara Attard, Coalition for Better Waste Water Solutions; Peter Reich, representing Surf Rider Foundation and Surfers Environmental Alliance; Wendell Chin of Communities for Better Environment and San Francisco Bay Advocates for Environmental Rights Safer Project; and Paul Hessinger from Coalition for Better Wastewater.

Emeric Kalman commented that the final cost of constructing the Oceanside Plant was very high compared to what staff originally estimated. He objected to the delay in starting the project and to the decision to construct the plant underground.

b. Sewer Operations

Tony Flores from the Bureau of Water Pollution Control presented the second of a series of three presentations regarding sewer operations. Mr. Flores ran video tapes showing the existing condition of various sewer tunnels in San Francisco. Mr. Flores reported that Sewer Operations had an estimated backlog of 600 spot repairs and 120 major sewer repairs or replacements pending.

He noted that improvements were needed in sewer operations to reduce long term expenses, reduce the number of sewer failures and respond to customers' requests to improve the system.

Mr. Flores stated that the lack of proactive work, manual record keeping, shortage in equipment, and inadequate sewer capacity were identified as weaknesses of sewer operations. Mr. Flores reported that staff had put together several proposals to address these problems. Those proposals were: [1] to contract with outside contractors to clean and televise the sewer systems at a cost of \$400,000. (Mr. Flores stated that this would allow staff to devote their time doing proactive work.) [2] computerize the management of the sewer system and link it to the City's GIS system. (Mr. Flores stated that the project when completed would cost \$125,000 for software and \$75,000 for hardware plus annual systems maintenance cost.) [3] purchase robotic inspection cameras to inspect smaller sized sewers that are not walkable, and rehabilitate existing video and tv cameras, and service trucks; and [4] conduct a management and operational audit. He said that having outside expertise was valuable in assessing the system's condition and obtaining suggestions on how to proceed to improve it.

c. Capital and Financial Plan

Item 7.c. was taken off calendar. The subject would be considered at the time the Commission reviews the budget for next fiscal year.

d. Watershed Safety Issues

Item 7d was continued to the next Public Utilities Commission meeting.

e. El Niño Preparations

Item 7e was taken off calendar. Lawrence Klein, General Manager of Hetch Hetchy Water & Power will submit a memorandum addressing the subject.

f. Bench Marking Activities

Item 7f was taken off calendar. Staff will provide information to the Commission through a memorandum to the Commission.

g. System Modeling Options

Item 7g was continued to the next Public Utilities Commission meeting.

h. Electric Restructuring Briefing

Item 7h was continued to the next Public Utilities Commission meeting.

\*\*\*\*\*

Commendation

President Makras presented a plaque of appreciation to Nathan Ratner for his contribution of time, expertise, energy and extraordinary commitment toward the passage of Propositions A and B. Mr. Ratner expressed his thanks to the Commission for their honesty and cost effectiveness.

8. Public Comments

Nathan Ratner urged the Commission not to approve unnecessary requests for new vehicles or new radio equipment. He also urged the Commission to begin implementing a computerized program to store complaints received from the public regarding sewer problems.

Karen Noll from Sustainable San Francisco spoke in support of alternative technologies as part of the strategic plan for the Clean Water Program.

**REGULAR CALENDAR**

9. Amending the City Charter to change the Public Utilities Commission's financing authorities.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 9, passed (3-0) unanimously.

Resolution No. 97-0317: Recommending to the Board of Supervisors to amend the City Charter to make changes to the Public Utilities Commission's financing authorities and submit these amendments to an electorate at the next City wide special or general election.

10. Approving the transfer of Water Department Consumer's Closed Accounts to the Unappropriated Surplus of the Water Department, Clean Water Program and the General Fund.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 10, passed (3-0) unanimously.

Resolution No. 97-0318: Approving the transfer of San Francisco Water Department Consumer's Closed Accounts with credit balances unclaimed for three years in the amount of \$46,916.99 to the Unappropriated Surplus of the Water Department, Clean Water Program and the General Fund.

11. Increasing expenditure for repairs related to the January 14, 1997 Emergency Declaration.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 11, passed (3-0) unanimously.

Resolution No. 97-0319: Authorizing the expenditure increase of \$400,000 for repairs related to the January 14, 1997 Emergency Declaration; and requesting the Board of Supervisors to approve the expenditure of funds.

## **CONSTRUCTION CONTRACTS**

12. Authorizing an advertisement for proposals for Contract CW-102, Pacific Avenue Sewer Replacement.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 12, passed (3-0) unanimously.

Resolution No. 97-0320: Approving the final plans and specifications for Utilities Engineering Bureau Contract CW-102, Pacific Avenue Sewer Replacement; and authorizing advertisement for proposals.

13. Awarding Contract WP-13R, Moccasin Cottages Reroof, to King's Roofing in the amount of \$214,217. (Continued from the meeting of November 18, 1997.)

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 13 to the call of the Chair, passed (3-0) unanimously.

14. Awarding San Francisco Water Department Contract No. WD-2209 to A. Ruiz Construction Co. & Associates.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 14, passed (3-0) unanimously.

Resolution No. 97-0321: Awarding San Francisco Water Department Contract No. WD-2209, 8-Inch Ductile Iron Main Installation in Cortland Avenue between Mission Street and Bayshore Boulevard, to A. Ruiz Construction Co. & Associates, in the amount of \$738,880.

### CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.

There were none.

16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege, passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:36 p.m. to 3:02 p.m. to discuss the following matters:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
- Existing Litigation: Regarding claim of Nancy Callaghan, Claim No. 98-00454.
- Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 17, passed (3-0) unanimously.
- Resolution No. 97-0322: Approving a settlement in the claim filed by Nancy Callaghan, Claim No. 98-00454.
18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- Anticipated Litigation: As Plaintiff and as Defendant  
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
- Parties Negotiating: Ambrose/Nelson/Lymburn  
City of Pleasanton
- Under Negotiations: Terms and Conditions
- No action was taken.
19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
- Anticipated Litigation: Regarding Polhemus Road Landslide in San Mateo County.
- No action was taken.
20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
- Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.
- No action was taken.

The Commission reconvened in open session.



21. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

22. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 3:03 P.M.

Romaine A. Boldridge  
Secretary



# AGENDA

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

Main Public Library  
Government Information Center  
100 Larkin Street, 5th Floor

## REGULAR MEETING

December 16, 1997  
1:00 P.M.  
Room 402  
1155 Market Street, Fourth Floor

### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

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### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY

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If you require assistance in evacuating, please request the aid of PUC staff.

## ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
  - a. Budget Status (Moran)
  - b. System Modeling Options - 10 mins. (Williams)
  - c. Watershed Safety Issues - 10 mins. (Jones)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

## **REGULAR BUSINESS**

9. Authorizing the Customer Service Bureau to offer Water Department customers a "pay by phone" option utilizing credit cards for the payment of water and sewer bills; and approving the convenience fee addendum. (Mullane)
10. Adopting policy on landscaping Public Utilities Commission properties pursuant to hearings regarding specific landscape plans for Moccasin, Merced Manor Reservoir, and Millbrae. (Moran)
11. Authorizing the Finance Bureau to advertise for underwriting services for debt instruments to fund the capital program. (Carey)
12. Authorizing the Finance Bureau to advertise for financial advisory services to support water, sewer, and Hetch Hetchy revenue bond issuances and provide other financial planning services. (Carey)
13. Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$3,500,000 that will be funded from 1988 Sewer Revenue Bonds Series "B" to fund construction work at the Southeast Water Pollution Control Plant. (Cockburn)

## **LEASES AND PERMITS**

14. Authorizing an Encroachment Agreement with Maurice J. and Barbara J. Brazil, Michael J. Brazil, and Laurene L. Fava to allow the encroachment of a garage, driveway and fence onto a portion of Parcel 2046 Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City, California. (Dowd)
15. Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the San Francisco Police Department granting the use of the Skyline Quarry located in the Peninsula watershed for detonation of high risk explosives. (Dowd)

## LEASES AND PERMITS (Continued)

16. Reconsideration of the Letter Agreement with the Bay Area Rapid Transit District (BART) upon which the Public Utilities Commission, as landlord, will consent to the execution of a license agreement between J.C. Penney Inc., and N.Y. Life Insurance Company, as tenant, and BART, which license agreement will permit BART to relocate portions of Huntington Avenue on the leased premises in connection with BART's extension to San Francisco International Airport. (Dowd)

## CONSTRUCTION CONTRACTS

### Advertise

17. Approving the final plans and specifications for Contract Specification No. 7515E, Southeast Plant Aeration Basins Improvement, and authorizing advertisement for bids. (Cockburn)
18. Approving the final plans and specifications for CW-110, Davis/Kearny/Francisco Streets Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
19. Approving the final plans and specifications for CW-121, Pine/California/Delancey Streets Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
20. Approving the final plans and specifications for CW-123, Harding Park Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
21. Approving the final plans and specifications for CW-124, Dore/Valencia/Clinton Park Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
22. Approving the final plans and specifications for CW-134, North Point Water Pollution Control Plant - Repair of Outfall Diffusers and authorizing advertisement for bids. (Cockburn)

23. Approving the finals plans and specifications for CW-135, Channel Street Pump Station Sluice Gate Replacement, and authorizing advertisement for bids. (Cockburn)
24. Approving the finals plans and specifications for CW-138, Fillmore Street Sewer Replacement, and authorizing advertisement for bids. (Cockburn)

**Award**

25. Awarding Contract WP-13R, Moccasin Cottages Reroof, to King's Roofing. (Continued from the meeting of November 25, 1997.) (Cockburn)

**Close**

26. Accepting work performed for Utilities Engineering Bureau Specification No. 1252N, Shotwell Street Sewer Replacement; approving Contract Modification No. 2 in the credit amount of \$90,058.00; and approving final payment of 5% retention for \$9,078.10 to Harty Pipelines, Inc. (Cockburn)
27. Accepting work performed for Utilities Engineering Bureau Specification No. 1361N, Patterson Street Sewer Construction Project; approving Contract Modification No. 1 in the credit amount of \$12,928.43; and approving final payment of 5% retention for \$4,259.23 to Trinet Construction (Cockburn)
28. Accepting work performed for Utilities Engineering Bureau Specification No. 1364N, Concord Street Sewer Replacement; approving Contract Modification No. 1 in the credit amount of \$21,540.50; and approving final payment of 5% retention for \$22,303.83 to Harty Pipelines, Inc. (Cockburn)
29. Accepting final quantities and approving final payment of \$16,278.58 to Evans Brothers, contractor for the Richmond/Sunset Water Pollution Control Plant Demolition, Contract #1131N. (Cockburn)



## PROFESSIONAL SERVICE CONTRACTS

### Advertise

30. Authorizing the General Manager of Public Utilities to solicit Requests for Proposals RFP) for security services for the Clean Water Enterprise and the Southeast Community Facilities and requesting the Board of Supervisors approval for contracting under Proposition J. (Keaney)

### Amend

31. Authorizing the Manager of System Planning and Regulatory Compliance to execute Amendment No. 3 to the agreement with Montgomery Watson/Ellington/Ballofet Joint Venture to provide professional services for "Phase 2 - Prepare Water Supply Master Plan" for an amount not to exceed \$1.28 million over two years. (Williams)
32. Authorizing the General Manager of Public Utilities to amend the personal services contract with Mr. Bruce Lymburn, increasing the contract amount from \$400,000 to \$465,000 and changing the scope of work to include the Bernal Avenue Project; and requesting the Controller to transfer \$65,000 from "Other Current Expenses" to "Professional Services". (Dowd)
33. Authorizing the General Manager of Public Utilities to continue an existing relationship with Ellison and Schneider increasing the funding level by \$715,000 for a total contract amount not to exceed \$6,460,900 and extending the term of the contract to December 31, 1998. (Klein)
34. Authorizing the General Manager of Public Utilities to continue an existing relationship with MHB Consultants, Inc. by executing a new contract to provide economic consulting services, for a contract amount not to exceed \$25,000 and a contract term to January 31, 1999. (Klein)
35. Authorizing the General Manager of Public Utilities to continue an existing relationship with Dr. Peter Moyle, increasing the contract amount by \$20,500 for a total not to exceed \$108,500; and extending the term of the contract by one year to December 31, 1998. (Klein)



36. Authorizing the General Manager of Public Utilities to continue an existing relationship with Murray Burns, and Kienlen, Inc. increasing the contract amount by \$54,000 for a total contract amount not to exceed \$317,500; and extending the term of the contract to December 31, 1998. (Klein)

### CLOSED SESSION

37. Public Comments on matters to be discussed in Closed Session.
38. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

39. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Obstler)

Existing Litigation: Maxine Van Tassel v. CCSF  
Superior Court No. 987-485

40. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Akwo)

Existing Litigation: Borela v. City and County of San Francisco  
Superior Court No. 981-587

41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant  
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.  
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson  
City of Pleasanton  
Under Negotiations: Terms and Conditions

42. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Dowd/Sullivan)

Anticipated Litigation: As Plaintiff  
Regarding Van Van Vo, New Long Fish Company.

43. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Dowd/Sullivan)

Existing Litigation: Muni right of way Parcel 22, 23, 24, City of Burlingame

44. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, Parcel 8, South San Francisco  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Bay Area Rapid Transit District  
Under Negotiation: Terms and Conditions

45. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 46, San Mateo County Lands, East Palo Alto  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Douglas Broadcasting, Inc.  
Under Negotiation: Price and Terms

46. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Crystal Springs Golf Course  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Crystal Springs Golf Partners L.P.  
Under Negotiation: Terms and Conditions

47. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

48. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):  
(Berliner)

Existing Litigation: 1) Electric Restructuring Hearings before the California Public Utilities Commission.  
2) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

49. Announcement following Closed Session.

50. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

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## **NOTICE OF PUBLIC HEARING**

The Public Utilities Commission will conduct a public hearing on Tuesday, January 13, 1998 at 1:00 p.m. at the 4th Floor Conference Room, 1155 Market Street, San Francisco, California, to consider amending the Rules of Order of the Public Utilities Commission to provide restrictions for access to tape recordings of the Commission's closed session meetings.



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# MINUTES

## PUBLIC UTILITIES COMMISSION

### CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.  
MAYOR

#### REGULAR MEETING

December 16, 1997

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENT

JAN 22 1998

SAN FRANCISCO  
PUBLIC UTILITIES

#### COMMISSIONERS

Victor G. Makras, President  
Ann Moller Caen, Vice President  
E. Dennis Normandy  
Robert K. Werbe  
Frank L. Cook

#### DEPARTMENTS

Water Department  
City Distribution Division  
Water Supply & Treatment  
Hetch Hetchy  
Clean Water Program

#### BUREAUS

Commercial Land Management  
Customer Service  
Engineering and Construction Management  
Environmental Regulation and Management  
Finance  
Information Systems  
Personnel and Training  
System Planning and Regulatory Compliance  
Water Pollution Control  
Water Quality

Anson B. Moran  
GENERAL MANAGER

Romaine A. Boldridge  
SECRETARY





1. Call to Order: 1:15 P.M.
2. Roll Call: Present - President Victor G. Makras; Vice President Ann Moller Caen, Commissioner Frank L. Cook  
  
Commissioner Robert K. Werbe arrived at 1:18 p.m.  
  
Excused - Commissioner E. Dennis Normandy
3. Approval of Minutes  
  
On motion by Commissioner Caen, seconded by Commissioner Cook, the Minutes of the Special Meeting of November 18, 1997 and the Minutes of the Regular Meeting of November 25, 1997 were approved (3-0) by unanimous vote.
4. Communications  
  
No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners  
  
Commissioner Caen asked about the outcome of staff's discussion with the Human Rights Commission regarding interview and selection of consultants. Anson B. Moran, General Manager of Public Utilities, stated that an agreement was reached with the Human Rights Commission on the ability of panelists involved in selecting consultants to discuss strengths and weaknesses of the firms before making their final scores. Mr. Moran stated that the procedures should also be modified and circulated for HRC's review before the agreement is put into effect. Mr. Robert T. Cockburn, Manager, Utilities Engineering Bureau, stated that standard contracting procedures will be scheduled for Commission's action in January.  
  
President Makras presented a plaque to Tony Leone in appreciation for his efforts in the passage of Propositions A and B and his continued commitment to the Public Utilities Commission.
6. Introduction of New Business by Commissioners  
  
There was no new business introduced by Commissioners.

7. Report of the General Manager

a. Budget Status

Mr. Moran advised that staff was preparing three versions of the budget request for FY 1998-99. One would be based on zero rate increase; the second version would allow a rate increase limited to the Consumer Price Index (CPI); and the third version include staff's budget recommendations.

Mr. Moran noted that PUC budget meetings were scheduled for January 20, 1998 and February 3, 1998.

President Makras directed staff to prepare five-year rate projections so that the Commission could review them in relation to the overall capital improvement program and long range plans.

b. System Modeling Options

This item was continued to the next regular meeting of the Commission.

c. Watershed Safety Issues

Carolyn Jones, Manager of the PUC Health and Safety Program, gave a presentation on watershed safety using electronic media. Ms. Jones showed photos of PUC facilities in the watershed having structural problems considered as hazardous to watershed employees and the public. She noted that staff already took necessary measures to correct those safety hazards.

Ms. Jones mentioned the need to have two watershed keepers work together on particular sites as a safety precaution.

Ms. Jones urged the continued cooperative effort of the Commission, the management and supervisors and employees to keep the workplace safe.

d. Combined Charities Campaign

Mr. John Mullane reported that the Public Utilities Commission was the top contributing department to the Combined Charities Campaign. Five hundred PUC employees contributed to the campaign.

e. Steve Medbery announced that the Water Pollution Prevention Program received the Water Environment Federation's National Public Education Award for their innovation in utilizing business marketing techniques to increase public awareness in water pollution issues and in changing individuals' behavior in proper use of pesticide and motor oil.

## 8. Public Comments

Nathan Ratner suggested numbering the street lights in the City so that the public may be able to accurately report a street light problem. Mr. Ratner also commented regarding the quality of street paving work. He made suggestions on how the Residential and Users Appeals Board may become more effective. In response to Mr. Ratner's comments President Makras directed staff to write to the Director of the Department of Public Works regarding street paving work. He also directed staff of the Bureau of Light, Heat & Power to give their assessment on whether the light poles should be numbered. President Makras suggested that Mr. Ratner put his recommendations regarding the Residential and Users Appeals Board in writing.

Robert Lee, Chairman of the Residential Users Appeals Board (RUAB), urged the Commission to reassign the Sewer Use Charges Section from the Customer Services Bureau to the Bureau of Environmental Regulation and Management. President Makras stated that it would be inappropriate for the Commission to become involved in employment and reassignment issues.

Vera Hogan, former supervisor at the Bureau of Environmental Regulation and Management (BERM), talked about the operating procedures in the Sewer Charges Section.

Patrick Skain urged the Commission to consider leasing three lots adjacent to the Farmers Market to the Director of Weights and Measures to expand the existing space for the Farmers Market.

Art Jensen, General Manager, Bay Area Water Users Association, reported that BAWUA sponsored a water awareness poster contest. He gave the Commission copies of a calendar composed of pictures of the winning posters.

## REGULAR CALENDAR

9. Authorizing the Customer Service Bureau to offer Water Department customers a "pay by phone" option utilizing credit cards for the payment of water and sewer bills; and approving the convenience fee addendum.

Commissioner Caen expressed her opposition to the additional convenience fee for utilizing credit cards to pay water and sewer bills. John Mullane, Manager of Customer Service Bureau, stated that this payment option has value to some of the department's customers as another way to pay their water and sewer bills. Mr. Mullane stated that the convenience fee covers the cost of the service. He added that other utilities like Los Angeles Water & Power offer this type of service.

Commissioner Cook expressed support for the project.

Commissioner Caen requested staff to collect information regarding the experience of other utility companies on the “pay by phone” service and how their customers reacted to the system. Mr. Mullane stated that the Los Angeles Water & Power indicated that they received positive response to the service even with the additional fee imposed upon them.

President Makras stated that he would not support the proposal due to the additional fee that would be charged for the service. He said that he would like to keep the water and sewer bills at the lowest cost for PUC customers. Mr. Moran noted that the convenience fee would show up on the credit card bill rather than the water bill. President Makras suggested looking into other payment packages and finding the smartest option for customers. He directed staff to provide a report with a full range of options including the total amount of bad debts.

President Makras recommended continuance of Item 9 to the call of the Chair. The members of the Commission concurred.

10. Adopting a policy on landscaping Public Utilities Commission properties pursuant to hearings regarding specific landscape plans for Moccasin, Merced Manor Reservoir, and Millbrae.

Commissioner Caen suggested adding in the first resolved clause the phrase “*and water efficient irrigation*”. Thus the first resolved clause would read: “*Resolved, That the Public Utilities Commission Departments be instructed to explore the use of water efficient landscaping and water efficient irrigation such as was proposed by the Departments . . .*”

Moved by Commissioner Caen, seconded by Commissioner Werbe, to adopt Item 10 as amended; passed (4-0) unanimously.

Resolution No. 97-0323: Adopting policy on landscaping Public Utilities Commission properties pursuant to hearings regarding specific landscape plans for Moccasin, Merced Manor Reservoir, and Millbrae.

The Commission took the agenda out of order and discussed Item 12 first.

12. Authorizing the Finance Bureau to advertise for financial advisory services to support water, sewer, and Hetch Hetchy revenue bond issuances and provide other financial planning services.

Commissioner Caen asked whether the Mayor's Office of Finance could provide financial advisory services for bond issuance. Ann Carey of the PUC's Bureau of Finance responded that the Mayor's Office of Finance could provide bond issuance types of services; however, PUC needs an internal financial advisor to provide other financial services such as implementing a commercial paper program, providing advice on debt instruments and performing rate projection work. Also there is a timing issue because the contract for the Director of the Mayor's Office of Finance has a shorter duration and we need services for a longer period of time for bond sales.

Commissioner Caen asked whether there was a possibility of joining forces with other City agencies to use the same financial advisor. Ms. Carey stated that it may not be possible since each department has different needs and different authorities for issuing debts and bond issues.

President Makras commented that the proposed cost of \$50,000 to \$75,000 to prepare a wastewater financial plan was high. He suggested exploring a fixed fee for the financial advisory services based on costs rather than on the volume of bonds issued. President Makras indicated that he recognized the need for the services of a financial advisor but he would like to retain their services at a smarter price. Mr. Moran suggested amending the Request for Proposals to indicate our interest in non-traditional fee arrangements.

Commissioner Caen suggested issuing a separate RFP for the financial planner and the bond issuer. President Makras commented that it would encourage more people to participate as bidders. Mr. Moran indicated that the percentage of MBE/WBE participation may be skewed on a fixed fee.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to continue Item 12 to the next regular Public Utilities Commission meeting for staff to recommend other options; passed (4-0) unanimously.

11. Authorizing the Finance Bureau to advertise for underwriting services for debt instruments to fund the capital program.

President Makras expressed the opinion that the cost could exceed savings if we were to retain someone to provide underwriting services for debt instruments. He stated that this could be pursued if the financial advisor recommends proceeding with hiring an underwriting service consultant.



Since Item 11 is a companion to Item 12, it was suggested that it be continued to the same date.

Moved by Commissioner Caen, seconded by Commissioner Werbe, to continue Item 11, passed (4-0) unanimously.

13. Requesting a supplemental appropriation in the amount of \$3,500,000 to fund construction work at the Southeast Water Pollution Control Plant.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 13, passed (4-0) unanimously.

Resolution No. 97-0324: Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$3,500,000 that will be funded from 1988 Sewer Revenue Bonds Series "B" to fund construction work at the Southeast Water Pollution Control Plant.

## LEASES AND PERMITS

14. Authorizing an Encroachment Agreement with Maurice J. and Barbara J. Brazil, Michael J. Brazil, and Laurene L. Fava.

Moved by Commissioner Caen, seconded by Commissioner Werbe, to adopt Item 14, passed (4-0) unanimously.

Resolution No. 97-0325: Authorizing an Encroachment Agreement with Maurice J. and Barbara J. Brazil, Michael J. Brazil, and Laurene L. Fava to allow the encroachment of a garage, driveway and fence onto a portion of Parcel 2046 Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City, California.

15. Authorizing a Memorandum of Understanding with the San Francisco Police Department for the use of Skyline Quarry.

Commissioner Caen suggested adding in the resolution and in the Memorandum of Understanding that the Public Utilities Commission has a long term desire for the San Francisco Police Department (SFPD) to find an alternate site for the disposal of their high risk explosives.

President Makras expressed his support of staff's recommendation as written. He stated that he recognized the lack of alternatives and the complexity of looking for another disposal site. Mr. Moran noted that staff will return to the Commission annually to report on the status of the SFPD's efforts to get a viable site.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 15, passed as amended; (4-0) unanimously.

Resolution No. 97-0326: Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding with the San Francisco Police Department granting the use of the Skyline Quarry located in the Peninsula watershed for detonation of high risk explosives.

16. Reconsideration of the Letter Agreement with the Bay Area Rapid Transit District (BART) upon which the Public Utilities Commission, as landlord, will consent to the execution of a license agreement between J.C. Penny Inc., and N.Y. Life Insurance Company, as tenant, and BART, which license agreement will permit BART to relocate portions of Huntington Avenue on the leased premises in connection with BART's extension to San Francisco International Airport.

Fred Arnold from the Bay Area Rapid Transit District urged the Commission to resolve this issue.

No action was taken.

## CONSTRUCTION CONTRACTS

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Cook to adopt Items 17, 18, 19, 20, 21, 22, 23 and 24 as consent items; passed (4-0) unanimously.

17. Resolution No. 97-0327: Approving the final plans and specifications for Contract Specification No. 7515E, Southeast Plant Aeration Basins Improvement, and authorizing advertisement for bids.
18. Resolution No. 97-0328: Approving the final plans and specifications for CW-110, Davis/Kearny/Francisco Streets Sewer Replacement, and authorizing advertisement for bids.



19. Resolution No. 97-0329: Approving the final plans and specifications for CW-121, Pine/California/Delancey Streets Sewer Replacement, and authorizing advertisement for bids.
20. Resolution No. 97-0330: Approving the final plans and specifications for CW-123, Harding Park Sewer Replacement, and authorizing advertisement for bids.
21. Resolution No. 97-0331: Approving the final plans and specifications for CW-124, Dore/Valencia/Clinton Park Sewer Replacement, and authorizing advertisement for bids.
22. Resolution No. 97-0332: Approving the final plans and specifications for CW-134, North Point Water Pollution Control Plant - Repair of Outfall Diffusers and authorizing advertisement for bids.
23. Resolution No. 97-0333: Approving the finals plans and specifications for CW-135, Channel Street Pump Station Sluice Gate Replacement, and authorizing advertisement for bids.
24. Resolution No. 97-0334: Approving the finals plans and specifications for CW-138, Fillmore Street Sewer Replacement, and authorizing advertisement for bids.

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25. Awarding Contract WP-13R, Moccasin Cottages Reroof, to King's Roofing.  
(Continued from the meeting of November 25, 1997.)

Robert T. Cockburn, Manager of the Utilities Engineering Bureau, advised that staff could adjust the price of reroofing to \$150,000 assuming the use of composition roofing, (instead of hardy shake semi-ceramic roofing), and the use of regular aluminum metal for downspouts and trim.

Commissioner Caen asked whether the reroofing work could be deferred until after spring when prices may be lower.

President Makras asked why staff decided to wait three years to have the reroofing done and why the recommendation to install extremely expensive roofs. Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, stated that staff recommended the hardy shake roofing because they are not flammable and they would withstand the environment in Moccasin. Regarding the timing of the work, he said staff was waiting until a decision was made regarding the housing at Moccasin.

Commissioner Cook moved to approve staff's recommendation based on the reduced price. The revised bid was for approximately \$150,000 that includes removal of existing roofs, new roofing with composition shingle material, downspout and an allowance of \$36,000 for wet rot. The motion died for lack of a second.

President Makras stated that the Commission was not supportive of the project due to the big differential in price. He suggested obtaining price quotations from other roofers and return to the Commission with a recommendation on how to proceed.

Item 25 was continued to the call of the Chair.

Commissioner Werbe was excused at 3:45 p.m.

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Cook to adopt Items 26, 27 and 28 as consent items; passed (3-0) unanimously.

- 26. Resolution No. 97-0335: Accepting work performed for Utilities Engineering Bureau Specification No. 1252N, Shotwell Street Sewer Replacement; approving Contract Modification No. 2 in the credit amount of \$90,058.00; and approving final payment of 5% retention for \$9,078.10 to Hardy Pipelines, Inc.
- 27. Resolution No. 97-0336: Accepting work performed for Utilities Engineering Bureau Specification No. 1361N, Patterson Street Sewer Construction Project; approving Contract Modification No. 1 in the credit amount of \$12,928.43; and approving final payment of 5% retention for \$4,259.23 to Trinet Construction.
- 28. Resolution No. 97-0337: Accepting work performed for Utilities Engineering Bureau Specification No. 1364N, Concord Street Sewer Replacement; approving Contract Modification No. 1 in the credit amount of \$21,540.50; and approving final payment of 5% retention for \$22,303.83 to Hardy Pipelines, Inc.

Commissioner Werbe returned at 3:49 p.m.

29. Accepting final quantities and approving final payment of \$16,278.58 to Evans Brothers, contractor for the Richmond/Sunset Water Pollution Control Plant Demolition, Contract #1131N.

Emeric Kalman spoke in opposition to the demolition of the plant until all legal requirements have been met by the contractor regarding toxic clean up. Mr. Cockburn indicated that all toxic clean up work was completed and he would furnish a copy of the report to Mr. Kalman.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 29, passed (4-0) unanimously.

Resolution No. 97-0338: Accepting final quantities and approving final payment of \$16,278.58 to Evans Brothers, contractor for the Richmond/Sunset Water Pollution Control Plant Demolition, Contract #1131N.

## **PROFESSIONAL SERVICE CONTRACTS**

30. Authorizing a Request for Proposals (RFP) for security services for the Clean Water Enterprise and the Southeast Community Facilities.

Moved by Commissioner Caen, seconded by Commissioner Makras, to adopt Item 30, passed (4-0) unanimously.

Resolution No. 97-0339: Authorizing the General Manager of Public Utilities to solicit Requests for Proposals (RFP) for security services for the Clean Water Enterprise and the Southeast Community Facilities and requesting the Board of Supervisors approval for contracting under Proposition J.

31. Authorizing an amendment to the agreement with Montgomery Watson/Ellington/Ballofet Joint Venture.

President Makras commended staff for negotiating a better deal for the City on this contract. He pointed out that he would not want to see amendments on the contract.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 31, passed (4-0) unanimously.

Resolution No. 97-0340: Authorizing the Manager of System Planning and Regulatory Compliance to execute Amendment No. 3 to the agreement with Montgomery Watson/Ellington/Ballofet Joint Venture to provide professional services for "Phase 2 - Prepare Water Supply Master Plan" for an amount not to exceed \$1.28 million over two years.

On recommendation by President Makras, Commissioner Werbe moved, seconded by Commissioner Cook, to adopt Items 32, 33, 34, 35 and 36; passed (4-0) unanimously.

32. Resolution No. 97-0341: Authorizing the General Manager of Public Utilities to amend the personal services contract with Mr. Bruce Lymburn, increasing the contract amount from \$400,000 to \$465,000 and changing the scope of work to include the Bernal Avenue Project; and requesting the Controller to transfer \$65,000 from "Other Current Expenses" to "Professional Services".
33. Resolution No. 97-0342: Authorizing the General Manager of Public Utilities to continue an existing relationship with Ellison and Schneider increasing the funding level by \$715,000 for a total contract amount not to exceed \$6,460,900 and extending the term of the contract to December 31, 1998.
34. Resolution No. 97-0343: Authorizing the General Manager of Public Utilities to continue an existing relationship with MHB Consultants, Inc. by executing a new contract to provide economic consulting services, for a contract amount not to exceed \$25,000 and a contract term to January 31, 1999.
35. Resolution No. 97-0344: Authorizing the General Manager of Public Utilities to continue an existing relationship with Dr. Peter Moyle, increasing the contract amount by \$20,500 for a total not to exceed \$108,500; and extending the term of the contract by one year to December 31, 1998.
36. Resolution No. 97-0345: Authorizing the General Manager of Public Utilities to continue an existing relationship with Murray Burns, and Kienlen, Inc. increasing the contract amount by \$54,000 for a total contract amount not to exceed \$317,500; and extending the term of the contract to December 31, 1998.

## CLOSED SESSION

37. Public Comments on matters to be discussed in Closed Session.
38. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege, passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:58 p.m. to 5:28 p.m. to discuss the following matters:

39. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Maxine Van Tassel v. CCSF  
Superior Court No. 987-485

Moved by Commissioner Werbe, seconded by Commissioner Caen, to approve a settlement for Item 40, passed (4-0) unanimously.

Resolution No. 97-0346: Approving a settlement in the case of Maxine Van Tassel v. CCSF, Superior Court No. 97-485.

40. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Borela v. City and County of San Francisco  
Superior Court No. 981-587

Moved by Commissioner Werbe, seconded by Commissioner Caen, to approve a settlement for Item 40, passed (4-0) unanimously.

Resolution No. 97-0347: Approving a settlement in the case of Borela v. City and County of San Francisco, Superior Court No. 981-587.



41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant  
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.  
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson  
City of Pleasanton  
Under Negotiations: Terms and Conditions

No action was taken.

42. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff  
Regarding Van Van Vo, New Long Fish Company.

No action was taken.

43. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Muni right of way Parcel 22, 23, 24, City of Burlingame

No action was taken.

44. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, Parcel 8, South San Francisco  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Bay Area Rapid Transit District  
Under Negotiation: Terms and Conditions

No action was taken.

45. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 46, San Mateo County Lands, East Palo Alto  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Douglas Broadcasting, Inc.  
Under Negotiation: Price and Terms

No action was taken.

46. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Crystal Springs Golf Course  
Parties Negotiating: CCSF - Dowd/Sullivan  
Lessee - Crystal Springs Golf Partners L.P.  
Under Negotiation: Terms and Conditions

No action was taken.

47. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

No action was taken.

48. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Electric Restructuring Hearings before the California Public Utilities Commission.  
2) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken.

49. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.



50. Motion regarding whether to disclose the discussions during Closed Session.

Moved by President Makras, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; motion passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:29 P.M.

Romaine A. Boldridge  
Secretary









